United States Court of Appeals

for the Second Circuit

EXHIBITS

74-2542

ONLY COPY AVAILABLE

United States Court of Appeals

FOR THE SECOND CIRCUIT

Docket No. 72-1064

CHRIS-CRAFT INDUSTRIES, INC.,

Plaintiff-Appellant,

—against—

PIPER AIRCRAFT CORPORATION, HOWARD PIPER, THOMAS F. PIPER, WILLIAM T. PIPER, JR., BANGOR PUNTA CORPORATION, NICOLAS M. SALGO, DAVID W. WALLACE, THE FIRST BOSTON CORPORATION, PAUL L. MILLER and N. BAYARD,

Defendants-Appellees.

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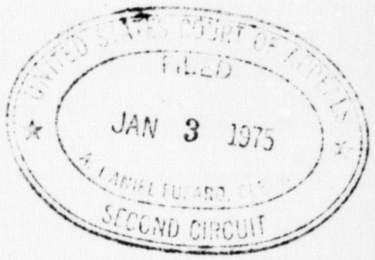

Docket No. 72-1120

BANGOR PUNTA CORPORATION,

Plaintiff-Appellant,

—against—

CHRIS-CRAFT INDUSTRIES, INC.,

Defendant-Appellee.

Docket Nos. 72-1053 and 72-1140

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff-Appellant,

—against—

BANGOR PUNTA CORPORATION,

Defendant-Appellee.
(Cross-Appellant)

EXHIBITS ON APPEAL FROM FINAL JUDGMENTS OF UNITED STATES DISTRICT COURT FOR SOUTHERN DISTRICT OF NEW YORK VOLUME 2 (pp. 501-817)

Counsel of Record Are Listed on Inside of Front Cover

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13

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ADDITIONAL PAGES OF DEPOSITIONS SUBMITTED BY PIPER

investment bankers deemed that amount to be reasonable?

A I'm not sure that it so stated in so many words, but they were in on the negotiations.

Q Were you present with other Piper officers or directors when the First Boston representative stated that $65.00 was an adequate price?

A I'm not sure at what point or in what manner this information was transmitted to Piper. I just don't recall.

Q I understand that First Boston's judgment then was different than your judgment; is that correct?

MR. WICKENHAVER: I object to --

THE WITNESS: I don't see how you arrive at that conclusion.

BY MR. STRAUBER:

Q Didn't you testify this morning that, in your judgment, $65.00 per share for Piper stock was not an adequate price in late January, 1969?

A You are not comparing apples with apples.

Q I am comparing Piper stock with Piper stock.

A In one case someone is offering to buy shares of stock from a great number of shareholders. The shareholder is under no compulsion, let's say, to sell. On the other hand, Piper had two different motives in the agreement with Grumman, and one was to aid it in its battle with Chris-Craft, and the

other was to raise funds for Piper Aircraft Corporation. I believe this is an entirely different transaction because it becomes one where Piper is now soliciting funds from someone, and it isn't the price that Piper believes adequate as much as the price that the market decrees at this particular time, and I think the market at that particular time was such that Grumman was buying stock at that particular time and would pay no more than the market price, let's say, or what the market justified. I think the two are not similar transactions.

Q So that, in your judgment as treasurer of the company, $65.00 was an adequate price at which to sell the stock to Grumman, but was not an adequate price for Chris-Craft to pay a Piper shareholder?

A That is correct.

Q In January or February of 1969, did you consider the possibility of selling any of your Piper shares to Grumman?

A No.

Q Do you know whether any member of the Piper family considered the possibility of selling their Piper shares to Grumman?

A No.

Q You don't know whether they did or did not consider it?

A No.

PLAINTIFF'S

EXHIBIT
U. S. Dist. Court
S. D. of N. Y.

MAR 18 1971

78K

504

DEPOSITION OF BANGOR PUNTA CORPORATION BY DAVID W. WALLACE TAKEN ON JUNE 6, 1969

stated: "Bangor Punta has agreed to file a registration statement with the SEC covering a proposed exchange offer for any and all of the remaining outstanding shares of Piper Aircraft for a package of Bangor Punta securities to be valued in the judgment of the First Boston Corporation at not less than $80 per share."

You are familiar with that statement?

A Yes, I am familiar with it.

Q You saw this press release before it was issued; am I correct?

A Yes, sir.

Q Was it your intent in making this statement that I have just read, to convey the meaning that the package to be offered by Bangor Punta would have a resale value of $80 a share?

A No.

MR. HOGELAND: I will object to the form of the question.

MR. LIMAN: With the objection, you have let him answer, and the answer is "no."

MR. HOGELAND: The answer is "no."

Q Was it your intention to suggest by the press release that shareholders who tendered their Piper stock to Bangor Punta would receive securities which they could

resell at $80 a share?

A No, sir.

Q When you issued this press release, did it occur to you that the language that was used would convey that meaning?

A No, sir.

Q Did you give any consideration, in putting out this press release, to putting in a disclaimer to the effect that shareholders might not be able to get $80 a share for the securities which they would receive from Bangor Punta if they accepted the Bangor Punta offer?

A No, sir.

Q Was there any discussion as to whether or not the sentence that I have just read might be misleading?

A A great deal of discussion about that whole press release. I would answer "no" to that question.

Q I will ask you to look at that language now again and tell me whether or not it does not convey to you the meaning that shareholders would receive a package which they could reasonably expect to resell for $80 a share?

MR. HOGELAND: Objection to the form of the question.

A The press release was designed to inform --

CHRIS-CRAFT Exhibit
WF 5-11-70

EXTRACT FROM MEMORANDUM TO THE FILES
DATED OCTOBER 15, 1969

* * *

Re: Meeting with Dave Wallace, Nic Salgo, and Steven Galle of Bangor Punta in Greenwich, Connecticut. 10/14/69

The Piper Situation: Bangor has talked informally with Chris-Craft concerning its block of Piper shares. According to Bangor, Chris-Craft is looking for other merger partners who won't talk until the Piper situation is resolved. Thus, time appears to stand in Bangor's favor, although difficult negotiations lie ahead. If the merger is accomplished, Piper's experience in plastic forming and overseas sales are expected to be very helpful to Bangor's boating divisions.

PLAINTIFF'S

EXHIBIT
U. S. Dist. Court
S. D. of N. Y.

MAR 16 1971

81 in.

PLAINTIFF'S EXHIBIT #116

508

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The Evening Bulletin
PHILADELPHIA, PA.
D. 654,741

MAY 9 1969

Bangor to Buy A Large Block Of Piper Stock

New York — (DJ) — Bangor Punta Corp., a frequent corporate suitor, said it agreed to acquire more than 500,000 shares—or at least 30%—of Piper Aircraft Corp. common stock from the Piper family.

The agreement is intended as a first step toward consolidation of Bangor Punta and Piper, officials of both companies said. Bangor Punta also is preparing an exchange offer for all remaining Piper shares, the officials said.

The agreement marks the latest in a long series of efforts by Piper to prevent Chris-Craft Industries Inc. from gaining a controlling interest in the Lock Haven, Pa. airplane maker. Chris-Craft owns 556,206 Piper common shares and has made an exchange offer for 300,000 more, which would bring its holdings to more than 52%.

A Chris-Craft spokesman said yesterday that Chris-Craft would vigorously oppose the Piper-Bangor Punta agreement and any merger attempt. The spokesman said Chris-Craft's legal counsel considers the announcement "in violation of the Federal securities statues and Securities and Exchange Commission rules."

Under the agreement and the probable exchange offer terms, both the Piper family and other Piper shareholders would receive a package of Bangor Punta securities for their Piper shares, the announcement said. Bangor Punta said the securities package it will offer for shares held outside the family is worth, in the judgment of First Boston Corp., not less than $80 per Piper share. The Piper family will receive "no more per-share" than other holders are offered, Bangor Punta said.

Piper common closed today on the New York Stock Exchange at $72.50, up $1.00 from Wednesday.

Details of the agreement and the exchange offer weren't available.

509

WALL STREET JOURNAL
SAN FRANCISCO, CALIF.
C. 205,130

MAY 9 1969

PAGE ONE

Bangor Punta agreed to buy a 30% interest in Piper Aircraft from the Piper family for securities valued at up to $80 a Piper share. The diversified concern said it plans an exchange offer for the remaining Piper shares. This would rival a current bid by Chris-Craft Industries to boost its Piper holdings to more than 52%, a move Piper is fighting.

(Story on Page 6)

Bangor Punta To Buy Big Block Of Piper Stock

Piper Family to Be Sellers; Pact Called a First Step Toward a Consolidation

Bangor to Seek All Shares

By a WALL STREET JOURNAL *Staff Reporter*

NEW YORK—Bangor Punta Corp., a frequent corporate suitor, said it agreed to acquire more than 500,000 shares—or at least 30%—of Piper Aircraft Corp. common stock from the Piper family.

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Piper common closed yesterday on the New York Stock Exchange at $71.50, up $1.50 from Wednesday.

Details of the agreement and the exchange offer weren't available.

On Wednesday, Chris-Craft announced terms of its offer to acquire 300,000 additional Piper shares. The offer is to exchange one share of new Chris-Craft $2 preferred and warrants to buy two shares of Chris-Craft common for each share of Piper held. Each warrant entitles holders to buy one share of Chris-Craft at $25 on or before June 1, 1974. The Chris-Craft preferred is convertible into 2.4 shares of Chris-Craft common between Jan. 1, 1970, and June 1, 1979. The preferred is redeemable at $65 a share after June 1, 1970, is entitled to one vote per share, and is entitled to $65 a share up on liquidation.

Piper sought previously to block the Chris-Craft bid for control by attempting to sell 300,000 shares of Piper unissued common to Grumman Aircraft Engineering Corp., but this plan was dropped after court opposition by Chris-Craft.

Later, Piper sought to acquire U.S. Concrete Pipe Co. of Florida and SouthPly Inc. in exchange for 470,000 Piper treasury shares. This plan, too, was dropped after the New York Stock Exchange suspended trading in Piper common April 7 on the ground that proper stockholder approval hadn't been secured. Trading in Piper common was resumed April 21.

Noting that the Grumman, U.S. Concrete and SouthPly agreements were terminated, the Chris-Craft spokesman said, "In most ball games three strikes is out."

"We're perfectly serious, and we don't think this is a baseball game," retorted David W. Wallace, Bangor Punta's president and chief executive officer.

In a joint announcement, Mr. Wallace and William T. Piper Jr., Piper's president, said a registration statement covering all securities to be issued would be filed with the Securities and Exchange Commission as soon as possible and a meeting of Bangor Punta shareholders will be called for a[illegible].

Mr. Piper said he and the Piper family would strongly support merger of the two concerns and would recommend it to stockholders.

In Big Board trading yesterday, Bangor Punta common advanced $1.375 to $34.125, while Chris-Craft common fell $2.25 to $44.50.

In the six months ended March 31, Piper earned $2.7 million, or $1.66 a share, the same as in the year-earlier period. Sales were $51.4 million against $49.8 million. The 1968 figures are restated to reflect the Federal income tax surcharge. Piper said a change in the method of computing depreciation increased the 1969 earnings by seven cents a share.

Bangor Punta, in the first fiscal quarter ended last Dec. 31, earned $3 million, or 75 cents a share, on sales of $85.8 million, against net of $1.4 million, or 52 cents a share, on volume of $50.4 million a year earlier. The company had 4,015,000 shares outstanding in the first quarter against 2,937,000 a year earlier. The figures assume full conversion of all preference stock and 6% convertible notes. They include operations of Waukesha Motor Co. and Producers Cotton Oil Co., which were acquired in 1968.

Bangor Punta is a diversified concern. Among its interests are textiles, law-enforcement equipment, pleasure boats, agriculture and railroads.

Last year Bangor Punta made a tender offer for stock of Harley-Davidson Motor Co., Milwaukee, acquired 12% of the common stock of Lenox Inc., Trenton, N.J., and negotiated unsuccessfully to acquire Delaware & Hudson Co., the parent company of Delaware & Hudson Railroad.

A-L

THE PLAIN DEALER
CLEVELAND, OHIO
D. 403,414 SUN. 515,032

MAY 9 1969

510

2 Concerns Vie for Piper Corp. Stock

NEW YORK (AP) — The rivalry of Bangor Punta Corp. and Chris-Craft Industries Inc. for control of Piper Aircraft Corp. continued yesterday as Bangor Punta announced it had agreed to purchase a more than 500,000-share interest in Piper from the Piper family.

CHRIS-Craft also announced yesterday the terms of its proposed exchange offer for 300,000 shares of Piper common. Chris-Craft now owns 556,206 shares, and with the additional 300,000, it would have 52.15% of the light airplane manufacturer.

BANGOR Punta also won the endorsement of the Piper family for a proposed tender offer for any and all of the remaining outstanding shares of Piper.

William T. Piper Jr., president, said he and the Piper family would recommend strongly to all shareholders a merger with Bangor Punta.

BANGOR PUNTA has agreed to file a registration statement with SEC involving the exchange of the remaining Piper shares for a package of Bangor Punta securities, to be valued at not less than $30 a Piper share, in the judgment of First Boston Corp.

The Chris-Craft offer, filed May 6 with the SEC, is for one share of a new Chris-Craft $2 preferred stock and warrants to purchase two shares of Chris-Craft common for each share of Piper.

511

Bangor Punta To Buy Big Block Of Piper Stock

Piper Family to Be Sellers; Pact Called a First Step Toward a Consolidation

Bangor to Seek All Shares

WALL STREET JOURNAL
DALLAS, TEXAS
C. 103,631
MAY 9 1969

By a WALL STREET JOURNAL *Staff Reporter*

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The agreement is intended as a first step toward consolidation of Bangor Punta and Piper, officials of both companies said. Bangor Punta also is preparing an exchange offer for all remaining Piper shares, the officials said.

The agreement marks the latest in a long series of efforts by Piper to prevent Chris-Craft Industries Inc. from gaining a controlling interest in the Lock Haven, Pa. airplane maker. Chris-Craft owns 556,206 Piper common shares and has made an exchange offer for 300,000 more, which would bring its holdings to more than 52%.

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Under the agreement and the probable exchange offer terms, both the Piper family and other Piper shareholders would receive a package of Bangor Punta securities for their Piper shares, the announcement said. Bangor Punta said the securities package it will offer for shares held outside the family is worth, in the judgment of First Boston Corp., not less than $80 per Piper share. The Piper family will receive "no more per-share" than other holders are offered, Bangor Punta said.

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"We're perfectly serious, and we don't think this is a baseball game," retorted David W. Wallace, Bangor Punta's president and chief executive officer.

In announcing the agreement Mr. Wallace and William T. Piper Jr., Piper's president, said a registration statement covering all securities to be issued would be filed with the Securities and Exchange Commission as soon as possible and a meeting of Bangor Punta shareholders will be called for approval.

Mr. Piper said he and the Piper family would strongly support merger of the two concerns and would recommend it to stockholders.

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The figures assume full conversion of all preference stock and 6% convertible notes. They include operations of Waukesha Motor Co. and Producers Cotton Oil Co., which were acquired in 1968.

Bangor Punta is a diversified concern. Among its interests are textiles, law-enforcement equipment, pleasure boats, agriculture, and railroads.

Last year Bangor Punta made a tender offer for stock of Harley-Davidson Motor Co., Milwaukee, acquired 12% of the common stock of Lenox Inc., Trenton, N.J., and negotiated unsuccessfully to acquire Delaware & Hudson Co., the parent company of Delaware & Hudson Railroad.

Bangor Punta agreed to buy a 30% interest in Piper Aircraft from the Piper family for securities valued at about $80 a Piper share. The diversified concern said it plans an exchange offer for the remaining Piper shares. This would rival a current bid by Chris-Craft Industries to boost its Piper holdings to 52.5%, a move Piper is fighting.

(Story on Page 5)

Los Angeles Times
LARGEST CIRCULATION IN THE WEST
D. 917,082 SUN. 1,213,782

MAY 9 1969 Seattle

Bangor, Piper Plan to Combine Despite Bid by Chris-Craft

NEW YORK (AP)—The rivalry of Bangor Punta Corp. and Chris-Craft Industries Inc. for control of Piper Aircraft Corp. continued Thursday as Bangor Punta announced it had agreed to purchase a more than 500,000-share interest in Piper from the Piper family.

Chris-Craft also announced Thursday the terms of its proposed exchange offer for 300,000 shares of Piper common. Chris-Craft now owns 556,206 shares, and with the additional 300,000 it would have 52.15% of the light airplane manufacturer.

Endorsed by Family

The Bangor Punta purchase involved the exchange of Bangor Punta securities of undisclosed value for the Piper family shares. Bangor Punta closed Thursday on the New York Stock Exchange at 34 1/8, up 1 3/8.

Bangor Punta also won the endorsement of the Piper family for a proposed tender offer for any and all of the remaining outstanding shares of Piper.

William T. Piper Jr., president,

Please Turn to Page 20 Col. 3

PIPER

Continued from 13th Page

said he and the Piper family would recommend strongly to all shareholders a merger with Bangor Punta.

A spokesman for Chris-Craft said that in the opinion of its counsel, the plan announced by Bangor Punta and the Piper family was "manipulative and in violation of the federal securities statutes and the rules of the Securities and Exchange Commission and will be vigorously opposed."

Will Push Offer

The spokesman said the Chris-Craft exchange offer for Piper common would go forward as planned, "despite this new attempt by the Piper family to prevent it."

Bangor Punta has agreed to file a registration statement with the SEC involving the exchange of the remaining Piper shares for a package of Bangor Punta securities ,to be valued at not less than $80 a Piper share, in the judgment of the First Boston Corp.

The Chris-Craft offer, filed May 6 with the SEC, is for one share of a new Chris-Craft $2 preferred stock and warrants to purchase two shares of Chris-Craft common for each share of Piper.

513

WILLIAMSPORT, PA.
SUN-GAZETTE
D. 31,000

A C

MAY 9 1969

Piper Aircraft, Bangor Punta Merger Bound

LOCK HAVEN — Bangor Punta Corp. and the Piper family have reached an agreement whereby Bangor Punta will acquire the Piper family's more than 500,000-share interest in Piper Aircraft Corp.

The agreement marks the latest in a long series of efforts by Piper to prevent Chris-Craft Industries Inc. from gaining a controlling interest in the Lock Haven, Pa. airplane maker. Chris-Craft owns 556,206 Piper common shares and has made an exchange offer for 300,000 more, which would bring its holdings to 52.15 per cent.

William T. Piper, Jr., who is president of Piper Aircraft, and David W. Wallace, chief executive officer of Bangor Punta, said they regarded the agreement as a first step in a proposed consolidation of the two companies.

Under the agreement, the Piper family will receive a package of Bangor Punta securities for their shares of Piper Aircraft.

Bangor Punta said it agreed to file a registration with the SEC covering a proposed exchange offer for any and all of the remaining outstanding shares of Piper Aircraft for a package of Bangor Punta securities to be valued in the judgment of the First Boston Corp. at not less than $80 per Piper share.

The registration statement covering all securities to be issued will be filed as soon as possible and a meeting of the shareholders of Bangor Punta will be called for approval.

The Piper Aircraft president said he and the Piper family would strongly support the merger and would recommend it to all shareholders.

A merger of Bangor Punta and Piper Aircraft would bring Bangor Punta into the light-aircraft business.

Bangor Punta is a diversified concern. Among its interests are textiles, law-enforcement equipment, pleasure boats, agriculture and railroads.

PROVIDENCE, R.I.
D. 66,673 SUN. 209,591
AL
MAY 9 1969

514

Bangor Punta Steps Up Drive To Buy Piper

New York — (AP) — The rivalry of Bangor Punta Corp. and Chris-Craft Industries Inc. for control of Piper Aircraft Corp. continued yesterday as Bangor Punta announced it had agreed to purchase a more than 500,000-share interest in Piper from the Piper family.

Chris-Craft also announced yesterday the terms of its proposed exchange offer for 300,000 shares of Piper common. Chris-Craft now owns 556,206 shares, and with the additional 300,000 it would have 52.15 per cent of the light airplane manufacturer.

The Bangor Punta purchase involved the exchange of Bangor Punta securities of undisclosed value for the Piper family shares. Bangor Punta closed yesterday on the New York Stock Exchange at 34¼, up 1⅜.

Bangor Punta also won the endorsement of the Piper family for a proposed tender offer for any and all of the remaining outstanding shares of Piper.

William T. Piper Jr., president, said he and the Piper family would recommend strongly to all shareholders a merger with Bangor Punta.

A spokesman for Chris-Craft said that in the opinion of its counsel, the plan anounced by Bangor Punta and the Piper family was "manipulative and in violation of the federal securities statutes and the rules of the Securities and Exchange Commission and will be vigorously opposed."

The spokesman said the Chris-Craft exchange offer for Piper common would go forward as planned, "despite this new attempt by the Piper family to prevent it."

Bangor Punta has agreed to file a registration statement with SEC involving the exchange of the remaining Piper shares for a package of Bangor Punta securities, to be valued at not less than $80 a Piper share, in the judgment of The First Boston Corp.

The Chris-Craft offer, filed May 6 with the SEC, is for one share of a new Chris-Craft $2 preferred stock and warrants to purchase two shares of Chris-Craft common for each share of Piper.

Easton Express
EASTON, PA.
D. 51,875
A.L
MAY 9 1969

2 Firms Battle For Control Of Piper Aircraft

NEW YORK (AP)—The rivalry of Bangor Punta Corp. and Chris-Craft Industries Inc. for control of Piper Aircraft Corp. continued Thursday as Bangor Punta announced it had agreed to purchase a more than 500,000-share interest in Piper from the Piper family.

Chris-Craft also announced Thursday the terms of its proposed exchange offer for 300,000 shares of Piper common. Chris-Craft now owns 556,206 shares, and with the additional 300,000 it would have 52.15 per cent of the light airplane manufacturer.

The Bangor Punta purchase involved the exchange of Bangor Punta securities of undisclosed value for the Piper family shares. Bangor Punta closed Thursday on the New York Stock Exchange, at 34⅜, up 1⅜.

Bangor Punta also won the endorsement of the Piper family for a proposed tender offer for any and all of the remaining outstanding shares of Piper.

William T. Piper Jr., president, said he and the Piper family would recommend strongly to all shareholders a merger with Bangor Punta.

A spokesman for Chris-Craft said that in the opinion of its counsel, the plan announced by Bangor Punta and the Piper family was "manipulative and in violation of the federal securities statutes and the rules of the Securities and Exchange Commission and will be vigorously opposed."

The spokesman said the Chris-Craft exchange offer for Piper common would go forward as planned, "despite this new attempt by the Piper family to prevent it."

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The Chris-Craft offer, filed May 6 with the SEC, is for one share of a new Chris-Craft $2 purchase two shares of Chris-Craft common for each share of Piper.

AL.

AKRON BEACON JOURNAL
AKRON, OHIO
D. 175,468 SUN. 203,113

MAY 9 1969

Bangor Punta In Piper Picture

Piper Aircraft Corp. has finally found a merger partner in its latest move to thwart a takeover by Chris-Craft Industries. The Piper family and Bangor Punta have agreed to the sale of more than 500,000 shares of Piper stock to Bangor Punta, representing about 31 pct. of the outstanding shares of the maker of private aircraft. Bangor Punta also announced it would make an exchange offer for the remaining Piper shares with a securities package valued at $80 per Piper share. Piper closed Thursday at $71.50, up $15.0 a share. Chris-Craft, which now owns 556,200 Piper shares (31 pct.), this week disclosed terms of its offer for 300,000 more shares, or 52 pct. control.

THE BRIDGEPORT TELEGRAM
BRIDGEPORT, CONN.
D. 12,425

MAY 9 1969

Firms Continue Piper Aircraft Control Fight

NEW YORK (AP) — The rivalry of Bangor Punta Corp. and Chris - Craft Industries Inc. for control of Piper Aircraft Corp. continued Thursday as Bangor Punta announced it had agreed to purchase a more than 500,000-share interest in Piper from the Piper family.

Chris - Craft also announced Thursday the terms of its proposed exchange offer for 300,000 shares of Piper common. Chris-Craft now owns 556,203 shares, and with the additional 300,000 it would have 52.15 per cent of the light airplane manufacturer.

The Bangor Punta purchase involved the exchange of Bangor Punta securities of undisclosed value for the Piper family shares. Bangor Punta closed Thursday on the New York Stock Exchange at 34⅛, up 1⅜.

Bangor Punta also won the endorsement of the Piper family for a proposed tender offer for any and all of the remaining outstanding shares of Piper.

William E. Piper Jr., president, said he and the Piper family would recommend strongly to all shareholders a merger with Bangor Punta.

A spokesman for Chris - Craft said that in the opinion of its counsel, the plan announced by Bangor Punta and the Piper family was "manipulative and in violation of the federal securities statues and the rules of the Securities and Exchange Commission and will be vigorously opposed."

The spokesman said the Chris-Craft exchange offer for Piper common would go forward as planned, "despite this new attempt by the Piper family to prevent it."

Bangor Punta has agreed to file a registration statement with SEC involving the exchange of the remaining Piper shares for a package of Bangor Punta securities, to be valued at not less than $80 a Piper share, in the judgment of The First Boston Corp.

The Chris - Craft offer, filed May 6 with the SEC, is for one share of a new Chris - Craft $2 preferred stock and warrants to purchase two shares of Chris-Craft common for each share of Piper.

517

A-L

MILWAUKEE SENTINEL
MILWAUKEE, WISC.
D. 160,011

MAY 9 1969

Bangor Buys Piper Stock

Bangor Punta Corp. has reached an agreement to acquire a more than 500,000 share interest in Piper Aircraft Corp. as the fist step in a proposed consolidation of the two companies.

Bangor Punta said it would exchange $80 in its securities for each Piper Aircraft common share.

The agreement was announced jointly Thursday by David W. Wallace, chief executive officer of Bangor Punta, and William T. Piper, jr., president of Piper Aircraft.

Under the agreement, the stock will be acquired from the Piper family in exchange for an undisclosed package of Bangor Punta securities.

Bangor Punta owns Waukesha Motor Co. and was an unsuccessful bidder for Harley-Davison Motor Co. here last year. The New York firm makes a variety of recreational vehicles including sailboats, houseboats, snowmobiles, campers, trailers and motor homes.

Piper Aircraft has strongly opposed a current takeover attempt by Chris-Craft Industries, Inc. Chris-Craft has offered to acquire 300,000 shares of Piper common stock which it said would give it 52.15% of the Piper shares.

Piper sought previously to block the Chris-Craft bid by attempting to sell 300,000 shares of unissued common to Grumman Aircraft Engineering Corp. Piper dropped this plan due to court opposition by Chris-Craft.

Piper then sought to acquire United State Concrete Pipe Co. and SouthPly Inc. in exchange for 470,000 Piper treasury shares, but dropped the plan after the New York Stock Exchange suspended trading in Piper common on the ground that stockholder approval for the exchange of stock had not been obtained.

Bangor Punta said Thursday it had agreed to file a registration statement with the securities and exchange commission covering a proposed exchange offer for all outstanding shares of Piper.

Piper said that in view of Bangor Punta's policy of maintaining autonomy in the management of its operating companies and the similarity of operating philosophies of the two companies, he and the Piper family would strongly support the merger and would recommend it to shareholders.

518

Bangor Punta Competes For Piper; Family Helps

Leased Wire to The Register

Bangor Punta Corp. and the Piper family reached an agreement for Bangor Punta to acquire the Piper family's more than [illegible]% share interest in Piper Aircraft Corp., and Bangor Punta announced plans to seek additional shares.

The Piper family's holdings represent about 30 per cent of Piper's 1,610,000 shares of outstanding stock.

Chris-Craft Industries, Inc., which now holds an indicated 555,000 shares, announced a proposal Wednesday to exchange a combination of its securities for an additional 300,000 shares, which would bring its holdings to 52.15 per cent of outstanding shares.

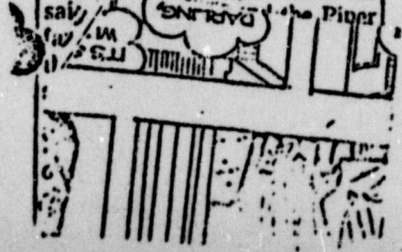
Thursday's agreement between the Piper family and Bangor Punta provides for payment of a package of Bangor Punta securities—and Bangor Punta said it will file a registration with the SEC covering a proposed exchange offer for any and all the remaining outstanding shares of Piper.

The announcement said the package of Bangor Punta securities to be offered for Piper stock has been valued by the First Boston Corp. at not less than $80 per Piper share.

Chris-Craft's offer called for exchange of one share of a new $2 preferred and warrants to buy two shares of Chris-Craft common for each share of Piper. The warrants permit purchase of Chris-Craft common at $25 a share before June 1, 1974, and the preferred is convertible into 2.4 shares of Chris-Craft common between Jan. 1, 1970, and June 1, 1979, and is redeemable at $65 a share after June 1, 1970.

Late Thursday a spokesman for Chris-Craft said the firm's counsel believes the Piper family-Bangor Punta announcement is manipulative and in violation of the Federal securities statutes and the rules of the Securities & Exchange Commission (SEC). He added that Chris-Craft will vigorously oppose the new proposal.

Officials of Piper Aircraft say [illegible] the Piper



The Des Moines Register
DES MOINES, IOWA
D. 246,841 SUN. 514,406

MAY 9 1969

LOCK HAVEN, PA.
EXPRESS
D. 19,459

MAY 9 1969

The Piper Drama

There is a vast difference between a voluntary association for mutual benefit to which both sides agree, and a forced takeover in which outside interests arbitrarily attempt to seize what the original owners are unwilling to surrender.

This is the reason why the Piper Aircraft Corp. has so vigorously defended itself against the attempt of Chris-Craft Industries to take control of the company away from its present management, which includes people who have been with the company from its early days and built it up as the leading industry of Lock Haven and Vero Beach, Fla.

It is apparent that the Piper management is not averse to the current industrial trend toward consolidation of manufacturing enterprises in diversified conglomerations, although it might prefer to continue to operate as an independent firm. What it does oppose is the tactic of forcible attack, arbitrarily and without prior consultation.

The laws that govern the market place are not sentimental; they are based upon the principle of ownership. The complications that have been injected into the organization of American industry, in the recent rash of mergers and conglomerations, have sometimes made it difficult to know who owns what. Smart business men buy ownership of other people's property with other people's money, and the moves are often made with a secrecy that the CIA cannot equal.

The attempts of the Piper Corp. to find a congenial partner for a future business relationship that would bring the local company into a compatible and voluntary association, rather than submit to the virtual kidnaping of the firm, are rational and understandable. Such efforts have been made earlier with a firm of outstanding reputation in the field of aircraft manufacture, and again with substantial Pittsburgh interests willing to buy Piper stock.

Chris-Craft Industries, as determined to have Piper as Piper has been determined not to be taken over, has appeared to have the whip-hand as these earlier moves have been countered, one way or another. Chris-Craft legal objections probably deterred the Grumman merger, which would hardly have engaged the attention of the federal government, if the issue had not been raised by Chris-Craft. A technicality in the stock exchange rules, relating to the marketing of treasury stock, upset the purchase of two subsidiaries by Piper and the introduction to the Piper board of directors of representatives of those companies—it is unlikely, of course, that any such technicality would have been overlooked by the aggressive Chris-Craft management.

The new proposals announced yesterday will still require stockholder approval by the owners of Piper stock and the stockholders of Bangor Punta Corp. to whom members of the Piper family are willing to sell their stock in exchange for Bangor Punta securities worth $80 per Piper share.

This rather challenges Chris-Craft, which is trying to acquire a crucial additional 300,000 shares of Piper stock in an exchange for Chris-Craft securities. A lot may depend on how the owners of the stock, not owned now by either Christ-Craft or the Pipers, measure their future prospects.

A-L
SANTA ANA, CALIF.
REGISTER
(EVENING)
D. 90,000

MAY 9 1969

Bangor Punta Corp. took a big step toward acquisition of Piper Aircraft Corp. with an agreement to purchase over 500,000 shares of stock from the Piper family.

Other developments on the merger front Thursday involved food, electronics, and motor carrier firms.

Bangor said it will file a registration statement with the securities and exchange commission covering a proposed offer of securities valued at not less than $80 per Piper share.

Chris-Craft Industries, Inc. already has made an offer to purchase 300,000 shares of Piper stock, which would give it a 52 per cent interest in the company if successful.

521

LEWISTOWN, PA.
SENTINEL
D. 14,000

MAY 9 1969

Corporations Vie to Control Piper Aircraft

NEW YORK (AP)—The rivalry of Bangor Punta Corp. and Chris-Craft Industries Inc. for control of Piper Aircraft Corp. continued Thursday as Bangor Punta announced it had agreed to purchase a more than 500,000-share interest in Piper from the Piper family.

Chris-Craft also announced Thursday the terms of its proposed exchange offer for 300,000 shares of Piper common. Chris-Craft now owns 556,206 shares, and with the additional 300,000 it would have 52.15 per cent of the light airplane manufacturer.

The Gangor Punta purchase involved the exchange of Bangor Punta securities of undisclosed value for the Piper family shares. Bangor Punta closed Thursday on the New York Stock Exchange, at 34⅜, up 1⅜.

Bangor Punta also won the endorsement of the Piper family for a proposed tender offer for any and all of the remaining outstanding shares of Piper.

William T. Piper Jr., president, said he and the Piper family would recommend strongly to all shareholders a merger with Bangor Punta.

A spokesman for Chris-Craft said that in the opinion of its counsel, the plan announced by Bangor Punta and the Piper family was "manipulative and in violation of the federal securities statutes and the rules of the Securities and Exchange Commission and will be vigorously opposed."

The spokesman said the Chris-Craft exchange offer for Piper common would go forward as planned, "despite this new attempt by the Piper family to prevent it."

Bangor Punta has agreed to file a registration statement with SEC involving the exchange of the remaining Piper shares for a package of Bangor Punta securities, to be valued at not less than $80 a Piper share, in the judgment of The First Boston Corp.

THE BOSTON HERALD
Traveler
D. 216,305 S. 298,557

MAY 9 1969 5 AL

Aircraft's President Favors Linkup

BANGOR PUNTA MAPS MERGER WITH PIPER

NEW YORK—Bangor Punta Corp. and the Piper family have reached an agreement whereby Bangor Punta will acquire the Piper family's more than 300,000 share interest in Piper Aircraft Corp.

William T. Piper Jr., who is president of Piper Aircraft, and David W. Wallace, chief executive oficer of Bangor Punta, jointly announced the agreement and said they regarded the agreement as a first step in proposed consolidation of the two companies.

Under the agreement the Piper family will receive a package of Bangor Punta securities for their shares of Piper Aircraft

Bangor Punta said it agreed to file a registration with the SEC covering a proposed exchange offer for any and all of the remaining outstanding shares of Piper Aircraft for a package of Bangor Punta securities to be valued in the judgment of the First Boston Corp. at not less than $80 per Piper share.

The registration statement covering all securities to be issued will be filed as soon as possible and a meeting of the shareholders of Bangor Punta will be called for approval.

The Piper Aircraft president said he and the Piper family would strongly support the merger and would recommend it to all the shareholders.

A merger of Bangor Punta and Piper Aircraft would bring Bangor Punta into the light aircraft business.

Sales of the combined companies would reach $450 million in fiscal 1969 with about $180 million or 40 per cent in the Aircraft, recreational and leisure time fields.

A spokesman for Chris-Craft Industries, Inc., stated that in the opinion of its counsel the Piper family — Bangor-Punta announcement is manipulative and in violation of the federal securities statutes and the rules of the SEC and that it will be vigorously opposed by Chris-Craft.

The spokesman said the Chris-Craft tender offer for 300,000 Piper shares will go forward as planned.

523

WALL STREET JOURNAL
NEW YORK, N. Y.
P. [illegible]S

MAY 9 1969

Bangor Punta To Buy Big Block Of Piper Stock

Piper Family to Be Sellers; Pact Called a First Step Toward a Consolidation

Bangor to Seek All Shares

By a WALL STREET JOURNAL *Staff Reporter*

NEW YORK—Bangor Punta Corp., a frequent corporate suitor, said it agreed to acquire more than 500,000 shares—or at least 30%—of Piper Aircraft Corp. common stock from the Piper family.

The agreement is intended as a first step toward consolidation of Bangor Punta and Piper, officials of both companies said. Bangor Punta also is preparing an exchange offer for all remaining Piper shares, the officials said.

The agreement marks the latest in a long series of efforts by Piper to prevent Chris-Craft Industries Inc. from gaining a controlling interest in the Lock Haven, Pa. airplane maker. Chris-Craft owns 556,206 Piper common shares and has made an exchange offer for 300,000 more, which would bring its holdings to more than 52%.

A Chris-Craft spokesman said yesterday that Chris-Craft would vigorously oppose the Piper-Bangor Punta agreement and any merger attempt. The spokesman said Chris-Craft's legal counsel considers the announcement "in violation of the Federal securities statues and Securities and Exchange Commission rules."

Under the agreement and the probable exchange offer terms, both the Piper family and other Piper shareholders would receive a package of Bangor Punta securities for their Piper shares, the announcement said. Bangor Punta said the securities package it will offer for shares held outside the family is worth, in the judgment of First Boston Corp., not less than $80 per Piper share. The Piper family will receive "no more per-share" than other holders are offered, Bangor Punta said.

Piper common closed yesterday on the New York Stock Exchange at $71.50, up $1.50 from Wednesday.

Details of the agreement and the exchange offer were not available.

Chris-Craft Offer

On Wednesday, Chris-Craft announced terms of its offer to acquire 300,000 additional Piper shares. The offer is to exchange one share of new Chris-Craft $2 preferred and warrants to buy two shares of Chris-Craft common for each share of Piper held. Each warrant entitles holders to buy one share of Chris-Craft at $25 on or before June 1, 1974. The Chris-Craft preferred is convertible into 2.4 shares of Chris-Craft common between Jan. 1, 1970 and June 1, 1979. The preferred is redeemable at $65 a share after June 1, 1970, is entitled to one vote per share, and is entitled to $65 a share up on liquidation.

Piper sought previously to block the Chris-Craft bid for control by attempting to sell 300,000 shares of Piper unissued common to Grumman Aircraft Engineering Corp., but this plan was dropped after court opposition by Chris-Craft.

Later, Piper sought to acquire U.S. Concrete Pipe Co. of Florida and SouthPly Inc. in exchange for 470,000 Piper treasury shares. This plan, too, was dropped after the New York Stock Exchange suspended trading in Piper common April 7 on the ground that proper stockholder approval hadn't been secured. Trading in Piper common was resumed April 21.

Noting that the Grumman, U.S. Concrete and SouthPly agreements were terminated, the Chris-Craft spokesman said, "In most ball games three strikes is out."

"We're perfectly serious, and we don't think this is a baseball game," retorted David W. Wallace, Bangor Punta's president and chief executive officer.

In a joint announcement, Mr. Wallace and William T. Piper Jr., Piper's president, said a registration statement covering all securities to be issued would be filed with the Securities and Exchange Commission as soon as possible and a meeting of Bangor Punta shareholders will be called for approval.

Mr. Piper said he and the Piper family would strongly support merger of the two concerns and would recommend it to stockholders.

In Big Board trading yesterday, Bangor Punta common advanced $1.375 to $34.125, while Chris-Craft common fell $2.25 to $44.50.

Earnings Were Steady

In the six months ended March 31, Piper earned $2.7 million, or $1.66 a share, the same as in the year-earlier period. Sales were $51.4 million against $49.8 million. The 1968 figures are restated to reflect the Federal income tax surcharge. Piper said a change in the method of computing depreciation increased the 1969 earnings by seven cents a share.

Bangor Punta, in the first fiscal quarter ended last Dec. 31, earned $3 million, or 75 cents a share, on sales of $85.8 million, against net of $1.4 million, or 52 cents a share, on volume of $50.4 million a year earlier. The company had 4,015,000 shares outstanding in the first quarter against 2,937,000 a year earlier. The figures assume full conversion of all preference stock and 6% convertible notes. They include operations of Waukesha Motor Co. and Producers Cotton Oil Co., which were acquired in 1968.

Bangor Punta is a diversified concern. Among its interests are textiles, law-enforcement equipment, pleasure boats, agriculture, and railroads.

Last year Bangor Punta made a tender offer for stock of Harley-Davidson Motor Co., Milwaukee, acquired 12% of the common stock of Lenox Inc., Trenton, N.J., and negotiated unsuccessfully to acquire Delaware & Hudson Co., the parent company of Delaware & Hud-

Bangor Punta agreed to buy a 30% interest in Piper Aircraft from the Piper family for securities valued at about $80 a Piper share. The diversified concern said it plans an exchange offer for the remaining Piper shares. This would rival a current bid by Chris-Craft Industries to boost its Piper holdings to more than 52%, a move Piper is fighting.

(Story on Page 9)

The New York Times
NEW YORK, N. Y.
D. 1,415,507
MAY 9 1969

Pepsico to Buy Miller Brewing; Piper and Bangor Punta to Join

Deal With Grace Set

By LEONARD SLOANE

Pepsico, Inc., confirmed yesterday its interest in the Miller Brewing Company by announcing an agreement in principle to buy 53 per cent from W. R. Grace & Co.

The joint announcement by Pepsico and Grace stated that the purchase price was $120-million in cash and notes. About 32 months ago, Grace bought majority control of Miller for $36-million in cash and stock from Mrs. Lorraine Mulberger, a descendant of the founder, and her family.

Yesterday three-paragraph statement from the two companies came in contrast to their reaction Wednesday when asked about a report of the sale of Miller. Then, a Grace spokesman, citing month-long rumors of the sale of its Miller stock, asserted: "We have no deal with Pepsico."

Officers of Pepsico were unavailable after its annual meeting in Wilmington, Del., at which the proposed purchase was not mentioned. And Miller, which had no comment yesterday, had nothing to say on Wednesday either.

The remaining 47 per cent of Miller is owned by DeRance, Inc., a charitable foundation organized by members of the Miller family. It is not involved in the sale, although there were rumors earlier this

Continued on Page 76, Column 3

Family to Sell Shares

By JOHN J. ABELE

The fight for control of the Piper Aircraft Corporation took a new turn yesterday with an announcement that the Bangor Punta Corporation had agreed to acquire over 500,000 shares of Piper Aircraft stock held by members of the Piper family.

The agreement was announced by William T. Piper Jr., president of Piper Aircraft, and David W. Wallace, chief executive officer of Bangor Punta, a highly diversified company with interests in law enforcement products, textiles, agricultural and industrial equipment and leisure-time products.

The two executives said they regarded the agreement as "a first step in a proposed consolidation of the two companies."

Bangor Punta said it would exchange a package of its securities for the holdings of the Piper family and then would make an exchange offer for the remaining outstanding shares that would be valued "at not less than $80 per Piper share."

Piper stock closed on the New York Stock Exchange yesterday at $71.50 a share, up $1.50.

The Lock Haven, Pa., manufacturer of light aircraft has been trying for several months to avoid a takeover attempt by Chris-Craft Industries, which claims to own 556,206 shares

Continued on Page 63, Column 4

COMPANIES TAKE MERGER ACTIONS

Continued From Page 63

of Piper stock, or about 34 per cent of the 1,642,000 shares outstanding.

Earlier this week, Chris-Craft disclosed terms of an exchange offer it plans to make for an additional 300,000 shares of Piper, which, it said, would give Chris-Craft 52.15 per cent of Piper's stock.

In January, soon after Chris-Craft's interest in Piper was disclosed, Piper agreed to sell 300,000 shares of its authorized but unissued stock to the Grumman Aircraft Engineering Corporation. The deal was later canceled.

Chris-Craft Is Critical

In March, Piper announced two acquisitions involving the exchange of 470,000 shares of its stock. The acquisitions were later rescinded after the Stock Exchange suspended trading in Piper stock because the company had failed to secure the exchange's approval for listing of the additional shares.

The agreement between Bangor Punta and the Piper family was attacked yesterday by a spokesman for Chris-Craft who said the announcement was "manipulative and in violation of the Federal securities statutes and the rules of the Securities and Exchange Commission."

The spokesman said the proposal would be "vigorously opposed" by Chris-Craft.

Mr. Piper said he and the members of his family would "strongly support" a merger with Bangor Punta and would recommend such a move to the stockholders of Piper Aircraft.

Bangor Punta said the valuation of its exchange offer of $80 for each share of Piper represented the opinion of the First Boston Corporation.

The company also said a registration statement for the securities involved in the proposed exchange offer would be filed with the Securities and Exchange Commission as soon as possible. Shareholders of Bangor Punta also would have to approve issuance of the securities.

525

MILWAUKEE JOURNAL
MILWAUKEE, WISC.
D. 367,795 SUN. 342,109

MAY 9 1969

Firms Joust for Control of Piper Shares

New York, N. Y. –AP– The rivalry of Bangor Punta Corp. and Chris-Craft Industries, Inc., for control of Piper Aircraft Corp. continued Thursday as Bangor Punta announced it had agreed to purchase a more than 500,000 share interest in Piper from the Piper family.

Chris-Craft also announced Thursday the terms of its proposed exchange offer for 300,000 shares of Piper common. Chris-Craft now owns 556,206 shares, and with the additional 300,000 it would have 52.15% of the light airplane manufacturer.

The Bangor Punta purchase involved the exchange of Bangor Punta securities of undisclosed value for the Piper family shares.

[Bangor-Punta owns Waukesha Motor Co. of Waukesha, Wis.

Bangor Punta also won the endorsement of the Piper family for a proposed tender offer for any and all of the remaining outstanding shares of Piper.

A spokesman for Chris-Craft said that in the opinion of its counsel the plan announced by Bangor Punta and the Piper family was "manipulative and in violation of the federal securities statutes and the rules of the securities and exchange commission and will be vigorously opposed."

The spokesman said the Chris-Craft exchange offer for Piper common would go forward as planned.

Bangor Punta has agreed to file a registration statement with SEC involving the exchange of the remaining Piper shares for a package of Bangor Punta securities, to be valued at not less than $80 a Piper share in the judgment of First Boston Corp.

The Chris-Craft offer is for one share of a new Chris-Craft $2 preferred stock and warrants to purchase two shares of Chris-Craft common for each share of Piper.

Evening News
NEWARK, N. J.
D. 244,218 SUN. 429,300

MAY 9 1969

Fight Intensifies For Piper Aircraft

NEW YORK (AP) — The rivalry of Bangor Punta Corp. and Chris-Craft Industries Inc. for control of Piper Aircraft Corp. intensified yesterday as Bangor Punta announced it had agreed to purchase a more than 500,000 share interest in Piper from the Piper family.

Chris-Craft also announced the terms of its proposed exchange offer for 300,000 shares of Piper common. Chris-Craft now owns 556,206 shares, and with the additonal 300,000 it would have 52.15 per cent of the light airplane manufacturer.

The Bangor Punta purchase involved the exchange of Bangor Punta securities of undisclosed value for the Piper family shares. Bangor Punta closed yesterday on the New York Stock Exchange at 34⅛, up 1⅜.

Bangor Punta also won the endorsement of the Piper family for a proposed tender offer for any and all of the remaining outstanding shares of Piper.

William T. Piper Jr., president said he and the Piper family would recommend strongly to all shareholders a merger with Bangor Punta.

A spokesman for Chris-Craft said that in the opinion of its counsel, the plan announced by Bangor Punta and the Piper family was "manipulative and in violation of the federal securities statutes and the rules of the Securities and Exchange Commission and will be vigorously opposed."

The spokesman said the Chris-Craft exchange offer for Piper common would go forward as planned, "despite this new attempt by the Piper family to prevent it."

Bangor Punta has agreed to file a registration statement with SEC involving the exchange of the remaining Piper shares for a package of Bangor Punta securities, to be valued at not less than $80 a Piper share, in the judgement of The First Boston Corp.

The Chris-Craft offer, filed May 6 with the SEC, is for one share of new Chris-Craft $2 preferred stock and warrants to purchase two shares of Chris Craft common for each share of Piper.

527

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D. 17,555

AL

MAY 9 1969

Bangor Punta to Buy Piper Stock

Bangor Punta Corp. of New York has agreed to purchase more than a half million shares, or at last 30 per cent, of the Piper Aircraft Corp. common stock from the Piper family of Lack Haven, Pa.

That agreement is intended as the first step toward consolidating both companies. Bangor Punta is preparing an exchange offer for all remaining Piper shares.

Bangor Punta is a diversified company, owning among other firms the Waukesha Motor Co., which it acquired in 1968. Bangor Punta's holdings extend from pleasure boat companies to small arms manufacturers. Last year Bangor Punta made an unsuccessful attempt to acquire Harley-Davidson Motor Co. of Milwaukee.

According to the announcement in New York Thursday, the Piper family and other Piper shareholders would receive a package of Bangor Punta securities for their Piper shares. Bangor Punta will exchange $80 in its securities for each Piper Aircraft Co. share.

On the New York Stock exchange Thursday Piper common stock closed at $71.50, up $1.50 from Wednesday. Bangor Punta advanced $1.375 to $34.125.

The agreement marked the latest effort by Piper to prevent Chris-Craft Industries, Inc., from gaining a controlling interest. Chris-Craft owns 556,206 Piper common shares and made an exchange offer for 300,000 more, which would bring its holdings to more than 52 per cent.

William T. Piper Jr., Piper's president, said he and the Piper family would strongly support merger of his company with Bangor Punta and would recommend it to stockholders for approval.

Piper earned $2.? million in the six month period ended March 31 or $1.06 a share, which is approximately the same earnings record as a year ago.

Bangor Punta in the first fiscal quarter ended last Dec. 31 earned $3 million or 75 cents a share against a net of $1.4 million or 52 cents a share the year earlier.

Operations of Waukesha Motor Co. and Producers Cotton Oil Co., which were acquired in 1968, were reflected in Bangor Punta's last quarterly statement.

COCOA, FLA.
TODAY
DAILY 45,000

MAY 10 1969

Piper's Defense Takes New Turn

By TOM MYERS
TODAY Business Editor

Piper continues to twist and turn to shake off the pursuit of Chris-Craft Industries.

Latest maneuver by the plane maker calls for it to park in the corporate hangar of Bangor Punta Corp., a conglomerate with interests in the leisure-time field.

Chris-Craft, the boat-making giant which wants to park Piper at its pier, vowed to oppose Piper's plan to seek a Bangor Punta merger.

President William T. Piper Jr. said the Piper family has agreed it sell its holdings — more than 500,000 shares — to Bangor Punta as "the first step in a proposed consolidation."

They will receive Bangor Punta securities for their shares, and the latter company will file a registration statement with the Securities and Exchange Commission covering a proposed tender offer for the rest of Piper's outstanding stock.

The Lock Haven, Pa., airplane company has some 1.5 million shares outstanding Chris-Craft said it own 556,000 and is seeking 300,000 more through a tender offer of its own, which would give it control.

Piper, which has a major plane factory at Vero Beach, said it favors merger with Bangor Punta because of letting its subsidiaries operate autonomously and "the similarities of operating philosophy between the two companies."

The firms said Bangor Punta's exchange offer would be valued at "no less than $80 per Piper share."

In previous efforts to escape Chris-Craft's clutches, Piper tried to sell new stock to Grumman; to expand its board of directors, and to issue new stock for acquisitions, thus diluting Chris-Craft's holdings.

In vowing to fight the move, "manipulative and in violation of the federal securities statutes," Chris-Craft said it will continue to press its tender offer.

AVIATION DAILY
WASHINGTON, D. C.
DAILY - CIRC. N. AVAIL.

MAY 12 1969

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BANGOR PUNTA ENTERS PIPER-CHRIS-CRAFT TAKEOVER BATTLE

In the latest round in Piper Aircraft's attempt to fight off a takeover move by Chris-Craft Industries, a New York-based conglomerate organized in 1960, Bangor Punta Corp., has agreed to purchase more than 500,000 shares of Piper common stock, about 30% of the total outstanding, held by the Piper family. In exchange, the Piper family would receive Bangor Punta securities estimated to be worth not less than $80 per Piper share.

The agreement is a first step leading toward ultimate consolidation of the two companies, with Bangor Punta prepared to acquire all remaining Piper shares, officials said. A registration statement currently is being prepared for the Securities and Exchange Commission, and a meeting of Bangor Punta shareholders will be held to approve the move, they added.

While the Piper family is vigorously supporting this move, Chris-Craft has already said that, in the opinion of its counsel, the action is "manipulative and in violation of the federal securities statutes and the rules of the Securities and Exchange Commission and will be vigorously opposed." CCI said that its 300,000-share tender offer (DAILY, May 8) will go forward as planned.

Bangor Punta has interests in a number of areas, including textiles, guns and revolvers, agriculture, railroads and, ironically, is said to be second only to Chris-Craft in the manufacture of pleasure boats.

[PAGE ONE]

Battle for Control of Piper Corp. May Continue for Months

"Three strikes and you're out", warns Chris-Craft Industries, Inc., squaring off for a new round in the corporate infighting that began when Chris-Craft started an attempt to take over the Piper Aircraft Corp.

"Third time's the charm," is the retort from the Piper management and their third proposed merger partner, Bangor Punta Corp.

The crux of the take-over battle is control of the Piper company. Chris-Craft, which has already acquired more than half a million shares of Piper common stock, and is seeking to get 300,000 more shares by an exchange of Chris-Chris Craft securities, aimed to put four members of its organization on the Piper board of directors in February, and has succeeded in electing two.

Control of the board would mean that management of the company could be changed completely. To prevent that from happening, the Piper management has been seeking for a means of diluting the voting power of the Chris-Craft stock holdings.

The means adopted has been to seek a merger partner whose interest would be in maintaining the present management of the Piper firm in a consolidation.

The first move in this direction involved the Grumman Aircraft Engineering Corp., which was willing to buy 300,000 shares of Piper common stock, previously unissued.

The Piper Corp. board could issue and sell this stock without previous approval of the stockholders so long as the number of shares involved is less than 20 per cent of the total shares outstanding. The 300,000 shares Grumman was willing to buy, as the first step toward a merger of the two companies, would have been less than 20 per cent, and the deal could have been consummated promptly except that Chris-Craft raised arbitrary issues.

Claiming that the proposed merger would be a violation of the antitrust laws, Chris-Craft took the case into federal court, signalling that it was ready for a tough legal battle. Although the only area in which Piper production duplicated that of Grumman in any way was in the production of a large agricultural plane, while Piper produces a smaller agricultural aircraft Chris-Craft alleged that the proposed merger would curb competition, and be in restraint of trade.

A Chris-Craft attorney claimed, at the adjourned meeting of Piper stockholders which ratified the election of two Chris-Craft directors to the Piper board, in late March, that Grumman withdrew from the merger because it would not be a party to "such a deal". Piper spokesmen, on the other hand, say that the Grumman merger was dropped by mutual consent because the Grumman company did not want to get involved in the kind of bitter corporate battling Chris-Craft seemed determined to carry on.

With Grumman out of the picture, the Piper management looked for another potential merger partner with whom a mutually satisfactory arrangement would be made, under which the Piper management could continue to operate the aircraft plants, sharing ownership with new stockholders whose interest could, to some extent, counterbalance the holdings of Chris-Craft.

The potential partners were Pittsburgh firms, Pittsburgh Coke & Chemical Corp., and the Hillman Land Co. The arrangement was that the Piper Corp., using its unissued common stock, would acquire a Coke & Chemical subsidiary, U. S. Concrete Pipe, for 320,000 shares of Piper stock, and a Hillman subsidiary, Southply, Inc., for 140,200 shares.

Treated as two separate transactions, these two acquisitions would not violate the New York Stock Exchange regulation, limiting to 20 per cent the amount of additional authorized stock that could be issued without prior stockholder approval at one time. The Piper company, through its attorneys, submitted the necessary documents on the two transactions, the Southply acquisition representing about 9 per cent of the outstanding stock, and the U.S. Concrete Pipe a little more than 19 per cent.

Again legal issues were raised. The upshot was that the board of the New York Stock Exchange ruled that the two acquisitions were not two transactions, but one.

Added together, the two acquisitions did represent new issues of more than 20 per cent of the outstanding Piper stock, and the Stock Exchange ruled that the transaction was, therefore, a violation of the stock exchange rules, and ordered Piper stock delisted. To restore the stock to the exchange list, it was necessary to call off the acquisitions for the two subsidiaries.

Two directors who had been named to the Piper board representing the potential subsidiaries have resigned.

In the proposal to join with Bangor Punta, the Piper management did not resort to its big backlog of authorized but unissued stock, but utilized the Piper family stockholdings, which aggregate more than half a million shares.

To place the Piper Aircraft Corp. in the Bangor Punta conglomerate, as a subsidiary, the Piper family is not selling its shares, but has given options and is working out an exchange of securities. The Piper interest in the Piper Corp. will become an interest in the overall Bangor Punta organization, and Bangor Punta will acquire an interest in Piper, which can be enlarged by further acquisition of Piper stock from other shareholders who have not sold out to Chris-Craft.

(Con't.)

Lock Haven Express (Pa.) 5/13/69 (Con't.)

A Piper spokesman says frankly that "What we like about Bangor Punta is that their subsidiaries have a large degree of autonomy."

The idea of the new merger proposal is not that the Piper family will dispose of their stock, but rather that they are entering a new association to protect their holdings in the Piper company and make it possible for them to continue in operating control. If and when the transaction is completed, Piper stock will no longer be bought and sold; it will be replaced by the Bangor Punta Corp. stock.

The battle with Chris-Craft is not ended by the Bangor Punta agreement, however. The legal skirmishes may continue for months.

Bangor Punta Corp. has offered to buy the Piper shares still held by other stockholders under the same exchange of securities arrangement which has been accepted by the Pipers. Meanwhile, Chris-Craft is also trying to get additional shares, hoping to acquire a controlling 51 per cent through an exchange of Chris-Craft stock for Piper.

Although it is difficult to reduce the two offers to a cash figure, it appears that the Bangor Punta offer, at present stock exchange prices for the stock of the three companies, is worth from $5 to $10 more than the Chris-Craft offer.

The value of the Bangor Punta exchange is being computed by the First Boston Corp., and the announcement of the exchange with the Piper family put the value of the swap at $80 per Piper share. The tender offer which Chris-Craft made, when Piper stock was selling at $52, in January was $65.

What may be expected now, it appears, is a concentrated effort on the part of Chris-Craft to acquire as much as possible of the outstanding Piper stock not already held by them or by the Piper family. Bangor Punta may be expected to do the same thing.

There are rumors that the Chris-Craft interests have the cooperation of a European financial operator, who is said to hold a block of 100,000 to 150,000 shares of Piper stock.

Another rumor is that Chris-Craft has recently changed its legal representation, to obtain the services of the New York law firm with which Arthur Goldberg, the former Supreme Court Justice, is associated.

Both Chris-Craft and Bangor Punta must get the approval of the Securities and Exchange Commission in Washington before they can go to Piper stockholders with their offers of an exchange "package", which can be accepted in the proposed swap for Piper stock.

Portland Press Herald
PORTLAND, MAINE
D. 56,003

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MAY 13 1969

Bangor Punta To Acquire 30 P.C. Of Piper Aircraft

BANGOR — Bangor Punta Corp. said it has agreed to acquire more than 500,000 shares or at least 30 per cent of Piper Aircraft Corp. common stock from the Piper family.

The agreement is intended as the first step toward consolidation of Bangor Punta and Piper, officials of both companies say. Bangor Punta also is preparing an exchange offer for all remaining Piper shares.

THE AGREEMENT MARKS the latest in a long series of efforts by Piper to prevent Chris-Craft Industries from gaining a controlling interest in the Lock Haven, Pa., airplane maker. Chris-Craft owns 556,206 Piper common shares and has made an exchange offer for 309,000 more which would bring its holdings to more than 52 per cent.

Bangor Punta has reported that sales and earnings for the six months ended March 31 reached record levels.

Sales and operating revenues for the first six months totaled $173,240,000, a 49 per cent increase over the sales of $116,466,000 in the same period a year ago.

Net income from operations for the six months was $3,952,000 and net income from the company's asset management activities was $1,347,000 for a total net income of $5,299,000.

In the prior year, Bangor Punta's net income was $2,976,000, representing $2,934,000 from operations and $42,000 from asset management.

EARNINGS PER SHARE assuming full conversion of all preference stocks and six per cent convertible notes were $1.31, including 98 cents from operations and 33 cents from asset management. Earnings per share were $1.01 in the first six months of fiscal 1968.

Bangor Punta's asset management activities include income arising from the acquisition and management advisory services provided for client companies, as well as gains and losses from Bangor Punta's securities portfolio and from disposition of its properties.

CHRIS - CRAFT has said it will vigorously oppose the Piper - Bangor Punta agreement and any merger attempt.

Under the agreement and the probable exchange offer terms, both the Piper family and other Piper shareholders would receive a package of Bangor Punta securities for their Piper shares.

Bangor Punta said the securities package it will offer for shares held outside the family is worth, in the judgment of First Boston Corp., not less than $80 per Piper share. The Piper family will receive no more per share than other holders.

The Evening Bulletin
PHILADELPHIA, PA.
D. 651,741

MAY 16 1969

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Bangor Boosts Its Stake in Piper Aircraft

New York — (DJ) — Bangor Punta Corp. has acquired an additional 100,000 shares of Piper Aircraft Corp., Lock Haven, Pa., bringing its holdings or committed holdings to 600,000 shares, or 37% of Piper's common stock outstanding, David W. Wallace, Bangor Punta president and chief executive officer, said today.

Wallace also disclosed that under the previously announced agreement to purchase 500,000 Piper shares from the Piper family, First Boston Corp. "must be satisfied" that Bangor Punta's proposed exchange offer for any and all remaining Piper shares be worth at least $80 a share. Material covering the exchange offer will be filed "as soon as possible," Wallace said.

"The Piper management and family are behind us 100% both as to the exchange offer and the future of Piper," Wallace stated.

The executive said the additional 100,000 shares were acquired from "large holders outside Piper and the Piper family." The original 500,000 shares to be acquired from the Piper family are committed under "signed agreements," Wallace said.

Earlier today, Chris-Craft Industries, Inc., raised its previously announced tender offer for 300,000 Piper shares by adding $10 cash for each Piper share tendered.

BUSINESS AVIATION
WASHINGTON, D.C.
W. - CIRC. R. MAIL

MAY 1 6 1969

NEW YORK CONGLOMERATE ENTERS PIPER-CHRIS-CRAFT CONTROL BATTLE

Although the job "won't be easy," the management of Bangor Punta is "optimistic" that it will win the Piper Aircraft takeover battle now being waged with Chris-Craft Industries.

Bangor Punta, a New York-based conglomerate formed in 1960, last week announced that it has agreed to purchase more than 500,000 shares of Piper common stock, about 30% of the total outstanding, held by the Piper family. In exchange, the Piper family would receive Bangor securities estimated to be worth no less than $80 per Piper share. The agreement is a first step leading toward ultimate consolidation of the two companies, with Bangor Punta prepared to acquire all remaining Piper shares, officials said.

Core of the control fight is, of course, trying to win over some 600,000 shares of stock not already committed to either the Piper or Chris-Craft side. Approval of CCI's offer (BA, May 9) by the SEC was expected anytime, while Bangor was pushing hard to get a registration statement ready for filing "as soon as possible" and probably before the end of the month, Bangor Punta VP-Public Relations Jack Milne told BA. Bangor Punta is hopeful that the uncommitted shareholders will support Piper management, which has made its position quite clear regarding CCI, i.e. that it could never maintain a "friendly" relationship with Chris-Craft. It is "in our best interests to pick a merger partner, not have one forced on us," Piper chief William T. Piper Jr. told BA.

Although Bangor Punta has been talking with Piper since January, the aircraft manufacturer told BP management that its first choice for a partner was another airframe producer. When the Grumman merger plan was blocked successfully by CCI, Piper then started serious discussions with Bangor management.

The conglomerate now holds some 30 companies, "many quite small," Milne said. Philosophy toward acquisitions, and acquired managements, is to retain operating autonomy, with Bangor Punta providing "relief for financing and capitalization problems under the total umbrella," Milne explained. BP also feels it can supply a base for an agressiveness often not previously characteristic of the acquired company.

BP's average number of shares in 1968 was 3.2 million and the company did $259 million in gross sales during the fiscal year ended Sept. 30. Acquisition of Piper is considered as fitting neatly with the areas BP is concentrating in, notably law enforcement and leisure time products. The latter, through acquisition of Piper, would amount to 40% of its business in FY 1969, Milne said.

Meanwhile, the CCI board has set June 3 as the date for a special meeting of its shareholders to vote on approval of the exchange offer of a new issue of the company's preferred stock and warrants in exchange for Piper common. May 6 is the date of record for the vote.

Los Angeles Times
LARGEST CIRCULATION IN THE WEST
D. 917,082 SUN. 1,219,382

MAY 17 1969

Bangor Punta Increases Piper Shares as Chris-Craft Ups Bid

NEW YORK (DJ)—Bangor Punta Corp. has acquired an additional 100,000 shares of Piper Aircraft Corp., bringing its holdings or committed holdings to 600,000 shares or 37% of Piper's common stock outstanding, David W. Wallace, Bangor Punta president and chief executive officer, said Friday.

Earlier Friday Chris-Craft Industries Inc. said it had filed a post-effective amendment with the Securities and Exchange Commission to increase its proposed offer to the Piper shareholders by $10 cash for each share of Piper.

Wallace also disclosed, in response to a question, that under the previously announced agreement to purchase 500,000 Piper shares from the Piper family, First Boston Corp., a Bangor backer with holdings in Piper, "must be satisfied that Bangor Punta's proposed exchange offer for any and all remaining Piper shares be worth at least $80 a share." Material covering the exchange offer will be filed "as soon as possible," Wallace said.

"The Piper management and family are behind us 100% both as to the exchange offer and the future of Piper," Wallace stated.

Chris-Craft, which is also seeking Piper, announced the revised terms of its tender for Piper shares.

The new terms set forth in the Chris-Craft amendment are for $10 cash plus one share of new Chris-Craft $2 preferred stock convertible between Aug. 1, 1969, and June 1, 1979, into 2.4 shares of Chris-Craft common stock plus warrants to purchase two shares of Chris-Craft common stock at $25 a share in exchange for each share of Piper.

Chris-Craft said its registration statement became effective Thursday.

Chris-Craft also said it changed the date of a special meeting of shareholders to approve the company's exchange offer for Piper to June 6 from June 3.

Piper Urges Rejection of Chris-Craft Exchange Offer

Telegrams, urging Piper Aircraft Corp. stockholders to reject the offer of Chris-Craft Industries, Inc., for their Piper Shares, and promising "important new information" concerning their interests in the Piper company, were received yesterday and today by Piper stockholders from W. T. Piper Jr., president of the company, and chairman of its board of directors.

The telegrams, a large number of which were distributed in Lock Haven and vicinity, read as follows:

"We strongly urged you to reject the Chris-Craft exchange offer. New and important information concerning your investment is being prepared and will be mailed to you by Piper Aircraft as soon as possible, on behalf of the executive committee of Piper Aircraft Corp."

This was the latest step in the intensifying battle for control of the Piper Aircraft Corp. which began last December. It was revealed then that the Chris-Craft Industries, a recently established and very aggressive conglomerate holding company, had been acquiring Piper Aircraft stock on the open market and was making a "tender offer" for additional shares at the then premium price of $65 per share. Piper stock, then selling at about $52 on the New York stock exchange, has since soared to $78.50 in a race for control.

That buying campaign gave the Chris-Craft people nearly a third interest in the Piper company and enabled them to elect two members to the eight-member board of directors. A second round of acquisitions was announced shortly afterward, when Chris-Craft submitted a proposal to the Federal Securities and Exchange Commission for an issue of convertible preferred stock to be used to obtain 300,000 more Piper shares by exchange with stockholders.

Chris-Craft has again postponed the date of a stockholders vote to approve or disapprove that issue of preferred stock of Chris-Craft for exchange for common stock of the Piper Aircraft Corp.

The stockholder vote is now set for June 6, instead of June 3. Earlier two dates in April had been set; the vote now has been delayed three times.

Meanwhile Chris-Craft has amended its proposal before the Securities & Exchange Commission in Washington, D. C. to add a $10 per share cash inducement to its original scheme. That proposal was to exchange two shares of new Chris-Craft convertible preferred stock for one share of Piper common, plus warrants to purchase two more shares of Chris-Craft common for $25 per share. The preferred stock would be convertible into 2.4 Chris-Craft common shares. This is the proposal Mr. Piper is urging fellow-stockholders to reject.

While Chris-Craft is pushing its deal for 300,000 additional shares of Piper, which must await approval by the SEC for the convertible preferred stock, the other bidder also has stepped up the pace of acquisition of Piper stock.

JERSEY SHORE, PA.
NEWS
D. 2,500

MAY 19 1969

Piper

(Continued from Page 1)

Bangor Pupnta Corp., the chosen merger partner of the Piper management, after concluding an agreement for the exchange of 500,000 shares of Piper stock held by the Piper family for Bangor Punta Securities worth $80 per share, claims that 100,000 additional shares have been acquired under the same conditions.

David W. Wallace, president and chief executive officer of Bangor Punta, said Friday that his company has acquired an additional 100,000 shares of Piper stock, making the total number controlled by Bangor Punta approximately 600,000, out of the total outstanding of 1,640,000.

Chris Craft claims to control 556,206 shares of Piper, not including the 300,000 it hopes to acquire by its current offer of $10 cash, plus an eventual four shares of Chris Craft.

The offer made by Bangor Punta, open not only to the Piper family but to all other Piper Aircraft stockholders, it for at least $30 worth of Bangor Punta securities, to be evaluated by the First Boston Corp., a major investment banking firm.

Mr. Wallace told financial reporters in New York that the agreement with Piper family stockholders is in the form of a signed contract.

Chris-Craft said Friday that its $10 cash bonus offer has been filed with the SEC as an amendment to the earlier proposition which had involved only the exchange of preferred convertible stock and warrants for Piper shares. The amendment also changed the date for conversion to Aug. 1, instead of Jan. 1, 1970.

The 100,000 shares Bangor Punta says it has recently acquired in the intensifying competition between the two aggressive conglomerates was obtained from large stockholders outside the Piper management.

This block of stock has given Bangor Punta a 37 per cent interest in the company, compared with Chris-Craft's holdings of 35 per cent. There is an "uncommitted interest" of approximately 28 per cent of the stock, which is the target of the current stock-buying campaigns, which have sent Piper stock to a new high on the New York stock market.

Today, Piper opened at 76.75 dropped briefly to 74 and then snapped back, before noon, to a new high of $78.50, with 430 shares traded in the first few hours. Chris Craft was about steady at an opening price of $43.875, on early sales of 2600 and Bangor Punta, opening at $32.75, was selling at $32.62 just before noon, on sales of 2,700.

Mr. Wallace of Bangor Punta said Friday that his company would file its exchange offer with the SEC as soon as possible. He also said "The Piper management and family are behind us 100 per cent, both as to the exchange offer and the future of Piper."

William T. Piper, Jr., president and board chairman of the Piper firm said earlier that he and the rest of the family strongly support a merger of Piper with Bangor Punta and that he would recommend it to the other stockholders as the best thing for the future prosperity and stability of the company.

WALL STREET JOURNAL
CLEVELAND, OHIO
D. 362,367
MAY 19 1969

WALL STREET JOURNAL
CHICAGO, ILL.
D. 362,367
MAY 19 1969

Chris-Craft Adds $10 a Share Cash To Offer for Piper

Bangor Punta, a Rival Bidder, Discloses Acquiring More Of Piper, Now Claims 37%

Aircraft Firm Favors Bangor

By a WALL STREET JOURNAL *Staff Reporter*

NEW YORK — Chris-Craft Industries Inc. and Bangor Punta Corp. intensified their battle to acquire Piper Aircraft Corp. Chris-Craft improved terms of its tender offer, and Bangor Punta disclosed it acquired an additional 100,000 Piper shares.

Chris-Craft, which has said it already owns 556,206 Piper common shares, raised by $10 cash a share the terms of its previously proposed tender offer for an additional 300,000 shares.

Responding to a reporter's questions following the Chris-Craft announcement, Bangor Punta said it increased its interest in Piper to 600,000 shares, or 37% of the stock outstanding, by acquiring 100,000 shares from "large holders outside the company."

Bangor Punta previously had announced an agreement to purchase 500,000 shares from the Piper family. Bangor Punta also had said it will make an exchange offer for "any and all" of the remaining Piper shares. Piper has 1,640,000 shares outstanding.

Setting Minimum Value

On Friday, David W. Wallace, Bangor Punta president and chief executive, disclosed that under terms of Bangor Punta's agreement with the Piper family, First Boston Corp., an investment banking firm, "must be satisfied" that the value of Bangor Punta's exchange offer is at least $80 a share. The agreement is in the form of a signed contract, Mr. Wallace added in response to a question.

WALL STREET JOURNAL
DALLAS, TEXAS
D. 103,641

MAY 19 1969

Chris-Craft Adds $10 a Share Cash To Offer for Piper

Bangor Punta, a Rival Bidder, Discloses Acquiring More Of Piper, Now Claims 37%

Aircraft Firm Favors Bangor

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Piper closed Friday at $76, up $3.75; Chris-Craft closed at $43.875, up $1.125, and Bangor Punta closed at $33.125, off 37½ cents, all on the New York Stock Exchange.

PAGE ONE
Chris-Craft, battling Bangor Punta for Piper Aircraft, improved its offer for Piper stock. Bangor Punta said it increased its interest in Piper to 37%.
(Story on Page 28)

Chris-Craft said Friday that its additional $10-a-share offer has been filed as an amendment to its earlier one with the Securities and Exchange Commission. Under terms of its original offer, Chris-Craft would give for each Piper share tendered one share of a new Chris-Craft preferred stock convertible into 2.4 Chris-Craft common shares plus warrants to purchase two additional Chris-Craft common shares at $25 each.

The amendment also changed the initial date for conversion of the preferred to Aug. 1, 1969, from Jan. 1, 1970. Other dates remain unchanged. However, Chris-Craft later announced that its special shareholders' meeting to approve its proposed exchange offer will be postponed to June 6 from June 3.

Chris-Craft makes pleasure boats, plastic and latex foams, organic chemicals and carpet yarns. Piper makes low and medium-priced light planes in Lock Haven, Pa. Bangor Punta makes pleasure boats, specialty textiles and law enforcement equipment. It also operates farms, consulting firms and a railroad.

Previous Opposition

Piper previously attempted to block Chris-Craft's bid for control by seeking to sell 300,000 shares of Piper unissued common stock to Grumman Aircraft Engineering Corp., but the plan was dropped after Chris-Craft went to court to oppose the move. Later, Piper sought to acquire U.S. Concrete Pipe Co. of Florida and SouthPly Inc. in exchange for 470,000 Piper treasury shares. This plan was dropped after the New York Stock Exchange suspended trading in Piper common April 7 on the ground that proper shareholder approval hadn't been obtained. Trading was resumed April 21.

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Chris-Craft Adds $10 a Share Cash To Offer for Piper

Bangor Punta, a Rival Bidder, Discloses Acquiring More Of Piper, Now Claims 37%

Aircraft Firm Favors Bangor

By a WALL STREET JOURNAL *Staff Reporter*

NEW YORK — Chris-Craft Industries Inc. and Bangor Punta Corp. intensified their battle to acquire Piper Aircraft Corp. Chris-Craft improved terms of its tender offer, and Bangor Punta disclosed it acquired an additional 100,000 Piper shares.

Chris-Craft, which has said it already owns 556,206 Piper common shares, raised by $10 cash a share the terms of its previously proposed tender offer for an additional 300,000 shares.

Responding to a reporter's questions following the Chris-Craft announcement, Bangor Punta said it increased its interest in Piper to 600,000 shares, or 37% of the stock outstanding, by acquiring 100,000 shares from "large holders outside the company."

Bangor Punta previously had announced an agreement to purchase 500,000 shares from the Piper family. Bangor Punta also had said it will make an exchange offer for "any and all" of the remaining Piper shares. Piper has 1,640,000 shares outstanding.

Setting Minimum Value

On Friday, David W. Wallace, Bangor Punta president and chief executive, disclosed that under terms of Bangor Punta's agreement with the Piper family, First Boston Corp., an investment banking firm, "must be satisfied" that the value of Bangor Punta's exchange offer is at least $80 a share. The agreement is in the form of a signed contract, Mr. Wallace added in response to a question.

Piper closed Friday at $76, up $3.75; Chris-Craft closed at $43.875, up $1.125, and Bangor Punta closed at $33.125, off 37½ cents, all on the New York Stock Exchange.

Chris-Craft said Friday that its additional $10-a-share offer has been filed as an amendment to its earlier one with the Securities and Exchange Commission. Under terms of its original offer, Chris-Craft would give for each Piper share tendered one share of a new Chris-Craft preferred stock convertible into 2.4 Chris-Craft common shares plus warrants to purchase two additional Chris-Craft common shares at $25 each.

The amendment also changed the initial date for conversion of the preferred to Aug. 1, 1969, from Jan. 1, 1970. Other dates remain unchanged. However, Chris-Craft later announced that its special shareholders' meeting to approve its proposed exchange offer will be postponed to June 6 from June 3.

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WALL STREET JOURNAL
WASHINGTON, D. C.
D. 480,368

MAY 19 1969

PAGE ONE

Chris-Craft, battling Bangor Punta for Piper Aircraft, improved its offer for Piper stock. Bangor Punta said it increased its interest in Piper to 37%.

(Story on Page 40)

WALL STREET JOURNAL
SAN FRANCISCO, CALIF.
D. 205,100

MAY 19 1969

540

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Chris-Craft, battling Bangor Punta for Piper Aircraft, improved its tender offer for Piper stock. Bangor Punta said it increased its interest in Piper to 37%.

— (Story on Page 32) —

AVIATION WEEK AND SPACE TECHNOLOGY
NEW YORK, N. Y.
W. 91,000

MAY 19 1969

Piper family has agreed to sell its more than 500,000 shares of Piper Aircraft Corp. to Bangor Punta Corp., New York City, for an exchange of Bangor securities. The principals regard the agreement as the first step in a proposed merger of the two companies. Bangor also offered $80 a share for any or all of Piper's remaining shares outstanding, about 34% of which is held by Chris Craft Industries, Inc., which is attempting to gain control of Piper (AW&ST Apr. 21, p. 22).

AVIATION DAILY
WASHINGTON, D. C.
DAILY - CIRC. N. AVAIL.

MAY 20 1969

THE KANSAS CITY STAR
KANSAS CITY, MO.
D. 325,951 SUN. 396,682

MAY 20 1969

Chris-Craft Ups Ante for Piper Stock

New York (AP)—Chris-Craft Industries, Inc., said it was increasing its offer to buy Piper Aircraft corporation common stock by $10 a share.

New terms are $10 cash, plus one share of new Chris-Craft $2 preferred stock, convertible between August 1, 1969, and June 1, 1979, into 2.4 shares of Chris-Craft common stock, plus warrants to purchase two shares of Chris-Craft common stock at $25 a share in exchange for each share of Piper common stock tendered.

Chris-Craft's higher offer was made known in an amendment to its original registration statement to the Securities and Exchange commission.

Bangor Punta corporation, also in competition for Piper shares, said it has acquired an additional 100,000 shares. David W. Wallace, Bangor Punta president, said this brought its holdings or committed holdings to 600,000 shares, or 37 per cent.

Chris-Craft, which says it already owns 556,206 Piper shares, has offered to purchase an additional 300,000 shares. This would give it about 52 per cent of the outstanding stock.

INVESTMENT DEALERS' DIGEST
NEW YORK, N. Y.
W. 6,000

MAY 20 1969

CHRIS-CRAFT INDUSTRIES INC. (Feb. 27, 1969—300,000 shs. conv. pfd.; 600,000 common stock purchase warrants. To be offered in exchange for common of Piper Aircraft Corp. in units of one share and one warrant for each Piper share. Dealer-managers: Loeb, Rhoades & Co.; Shields & Co. Expected this week.

LOCK HAVEN, PA.
TIMES
W. 7,868

MAY 22 1969

PIPER - CHRIS CRAFT BATTLE CONTINUES

Management of the Piper Aircraft Corporation this week sent out telegrams urging stockholders to reject the offer of Chris-Craft Industries to acquire Piper stock. The original offer was recently increased $10 a share. Piper promised its stockholders important new information concerning their interests in the Piper company.

Chris-Craft last week asked the U.S. District Court for access to Piper records, saying that Piper had refused to make its records available to two directors.

District Court Judge Sheridan issued an order restraining Piper Aircraft from refusing to make its records available.

SECURITIES AND EXCHANGE COMMISSION has approved the registration statement covering Chris-Craft Industries' exchange offer for Piper Aircraft common stock. In addition, CCI has filed an amendment to the original offering adding a $10 cash benefit to each share of new CCI $2 perferred stock warrants. The boat manufacturer's board has postponed the date of the special shareholders meeting to approve the offer from June 3 to June 6 at the Pier 66 Hotel in Fort Lauderdale, Fla.

[illegible]
LEA
D. 12,500

MAY 20 1969

Chris-Craft raises by $10 cash share offer for Piper Aircraft; Bangor gets more stock

NEW YORK (AP) — Chris-Craft Industries Inc. and Bangor Punta Corp. intensified their battle to acquire Piper Aircraft Corp. Chris-Craft improved terms of its tender offer, and Bangor Punta disclosed it acquired an additional 100,000 Piper shares.

Chris-Craft, which has said it already owns 556,206 Piper common shares, raised by $10 cash a share the terms of its previously proposed tender offer for an additional 300,000 shares.

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Portland Press Herald
PORTLAND, MAINE
D. 56,603

MAY 20 1969

Bangor Punta's Battle With Chris-Craft Heats Up

By FRANK SLEEPER

BANGOR — The battle between Bangor Punta Corp. and Chris-Craft Industries Inc. for control of Piper Aircraft Corp. is heating up.

Chris-Craft which says it already owns 556,206 shares of Piper common stock, raised by $10 cash a share the offer it had made pfeviously, for an added 300,000 shares of the stock. If it got the 300,000 it would control Piper.

BANGOR PUNTA Corp. said it has increased its interest in Piper to 600,000 shares or 37 per cent of the stock outstanding by acquiring 100,000 shares from "large holders outside the company."

Bangor Punta previously had announced an agreement to buy 500,000 shares from the Piper family. The Bangor-headquartered company said it would make an offer for "any and all" of the remaining Piper shares. Piper has 1,640,000 shares outstanding.

Late last week, David W. Wallace, Bangor Punta president and chief executive, said that, under terms of Bangor Punta's agreement with the Piper family, First Boston Corp., an investment banking firm, "must be satisfied" that the value of Bangor Punta's exchange offer is at least $80 a share. The agreement is in the form of a signed contract.

PIPER STOCK has been selling most recently at $76 to $77 a share. The value of that stock has been rising since the control fight started.

Piper has tried in various ways to keep Chris-Craft from gaining control.

William T. Piper, president of the Lock Haven, Pa., based firm, has said he and his family strongly support a merger of Piper and Bangor Punta and would recommend it to stockholders.

"The Piper management and family are behind us 100 per cent, both as to the exchange offer and the future of Piper," Wallace said. He said Bangor Punta's exchange offer will be filed with the Securities and Exchange Commission as soon as possible.

PLAINTIFF'S

EXHIBIT 543
U. S. Dist. Court
S. D. of N. Y.

117

MAR 18 1971

PRINTING ORDER

Project No. IC-012

To: Cost Accounting

Date January 21, 1969

Material To Be Printed FINANCIAL STATEMENT

Code No.

How Many Copies 38

How Many Pages 6 + Cover

Print: One Side X

Both Sides

Type 70# Offset

Stock: Color White

Size

Printing Dept. Information

How Many Forms per Sheet

Total Sheets to Run

Catalogs, Manuals, Revisions, Etc.

How Many Printed Pages

How Many Sheets

Total Quantity of Stock Required

Bind Cut Package

Collate Fold Pad

Corner Drill Staple

Date Material Wanted Immediately

If Rush, Why

Material Ordered By Henry W. Ebeling

Dept. 110

Deliver Material To Vivian Bauman

Dept. 110

Date Delivered

Return Original To Vivian Bauman

Dept. "

Date Delivered

Material Printed By J. C.

Date 2-25-69

COLLATING INSTRUCTIONS

DISTRIBUTION AND MAILING INSTRUCTIONS

CHRIS CRAFT 2XH 25
4/2/69 (Thu)

Jim

4/21/69

PRINTING SCHEDULE

Project No.	Description	Sheets	Quan.	Department	In	Requested	Estimated Completion to date	Complet
30-012	Letter To All Flite Centers	1	100 Ea	Marketing	1-17-69	1-21-69		1-20-69
30-012	Dealer Sales & Inv. Report	1	300 Ea	Marketing	1-20-69	2-14-69		1-30-69
30-012	Consolidated Dealer Report	2	600 Ea	Marketing	1-20-69	2-14-69		1-30-69
90-012	PA-28R-200 Cherokee Arrow Power Setting Table	1	200 Ea	Vero	1-20-69	1-27-69		1-22-69
30-012	Letter To All Dealers & Dist. Plus Comparison	18	1,000 Ea	Marketing	1-20-69	1-27-69		1-22-69
10-012	2 Procedures - Fin. Assistance, etc.	2	87 Ea	Finance	1-20-69	1-27-69		1-23-69
40-012	Manual-Front & Back List Forms	1	500 Ea	Pub.	1-20-69	1-27-69		1-23-69
90-012	Kit 760 292 - Kit List, Install. Instr. & Sketches	6	1,000 Ea	Vero	1-20-69	1-27-69		1-23-69
10-012	Conditional Sale Contract	6	200 Ea	Acct.	1-20-69	2-3-69		1-29-69
40-614	PA-32 Parts Catalog	157	1,500 Ea	Pub.	1-20-69	2-28-69		3-3-69
30-012	Flip Book Inserts	57	800 Ea	Marketing	1-20-69	Rush		1-23-69
23-012	Page 1, F.M. - Report 1520	1	180 Ea	Service	1-20-69	1-27-69		1-21-69
	Page 1, F.M. - Report 1521	1	180 Ea					
23-012	Kit 760 295 - Kit List & Sketch A	2	380 Ea	Service	1-20-69	1-27-69		1-23-69
20-012	PA-31 Check List	1	75 Ea	Dom. Sales	1-20-69	1-27-69		1-29-69
23-012	Flite Center Manual	12	100 Ea	Service	1-21-69	2-15-69		1-28-69
90-012	PA-28 Check List	1	500 Ea	Vero	1-21-69	1-28-69		1-29-69
20-012	Name Tags	1	150 Ea	Dom. Sales	1-21-69	Rush		1-23-69
23-012	Form Letter - S.B. No. 284	1	175 Ea	Service	1-21-69	Rush		1-21-69
70-012	Authorization for Salvage Disposal	1	500 Ea	Prod.	1-21-69	2-4-69		1-29-69
10-012	Financial Statement	6	38 Ea	Acct.	1-21-69	Imm.		1-23-69
40-012	Material Summary Form	1	1,000 Ea	Eng.	1-21-69	2-10-69		2-14-69

545

2613

PRINTING SCHEDULE

Project No.	Description	Sheets	Quan.	Department	In	Requested	Estimated Da	Complete
50-012	PA-31 Test Pilot Report - Pg. 6	1	200 Ea	Insp.	1-22-69	1-29-69		1-23-69
10-012	Procedures (Storage or Withdrawal and Destruction)	2	87 Ea	Finance	1-22-69	1-29-69		1-23-69
30-012	Beech S.E. & M.E. Flip Book Inserts	42	800 Ea	Marketing	1-22-69	Rush		1-24-69
70-012	Inventory Addition Notice	1	1,000 Ea	Finance	1-22-69	1-29-69		1-30-69
70-012	Inventory Cancellation Notice	1	1,000 Ea	Finance	1-22-69	1-29-69		1-30-69
30-012	Letter To All Dealers, Dist. & Flite Centers	1	675 Ea	Marketing	1-22-69	1-27-69		1-24-69
23-012	Service Letter No. 518	2	4,500 Ea	Service	1-22-69	Rush		1-23-69
23-012	Service Letter No. 324C	4	4,500 Ea	Service	1-22-69	Rush		1-25-69
30-012	Letter To All Distributors	1	75 Ea	Marketing	1-22-69	1-27-69		1-25-69
30-012	Letter To All Distributors	1	150 Ea	Marketing	1-22-69	1-27-69		1-25-69
20-012	Letter To Domestic Dist./ Program	4	75 Ea	Dom. Sales	1-22-69	Rush		1-23-69
20-012	National Cherokee Sales Meeting Program	4	150 Ea	Dom. Sales	1-22-69	Rush		1-24-69
10-012	Consolidated Financial Statement	2	25 Ea	Acct.	1-22-69	1-27-69		1-31-69
25-012	License Slip	1	2,000 Ea	Int. Sales	1-22-69	1-30-69		1-25-69
23-012	Service Spares Letter No. SP-285A	1	2,550 Ea	Service	1-23-69	1-30-69		1-27-69
23-012	Service Spares Letter No. SP-286	1	2,550 Ea	Service	1-23-69	1-30-69		1-27-69
20-012	Int. Sales Cancellation Write It	1	300 Ea	Dom. Sales	1-23-69	2-22-69		1-30-69
23-012	Owner's Handbook Front and Back List	1	500 Ea	Service	1-23-69	1-30-69		1-27-69
23-012	Service Publications List	4	1,000 Ea	Service	1-23-69	2-6-69		1-29-69
23-012	Form Letter - Temp. Flite Center Manual	1	100 Ea	Service	1-23-69	1-30-69		1-27-69
20-012	Cherokee Demonstration Procedure	13	500 Ea	Dom. Sales	1-23-69	2-1-69		1-29-69
30-012	Comanche Flip Book Inserts	61	800 Ea	Marketing	1-23-69	Rush		1-25-69

546

26c

C

Pa

PRINTING SCHEDULE

Project No.	Description	Sheets	Quan.	Department	In	Requested	Estimated Co: Date	Complet
20-012	Cherokee Demonstration Procedures	13	500 Ea	Dom. Sales	1-23-69	2-1-69	Duplicat	
20-012	Aircraft Release	1	500 Ea	Dom. Sales	1-23-69	1-30-69		1-25-69
10-012	As Attached - 90 and Over	1	150 Ea	Acct.	1-23-69	2-13-69		1-29-69
23-012	Prod. Improvement Report	1	50 Ea	Service	1-23-69	1-30-69		1-29-69
20-012	Piper Distributor Agreement Re: Flite Center	5	100 Ea	Dom. Sales	1-23-69	1-30-69		1-25-69
30-012	Attached Sample - Sales Promotion Mailing	1	200 Ea	Marketing	1-23-69	1-30-69		2-11-69
10-012	Letters To Employees	1	2,000 Ea	Exec.	1-24-69	Rush		1-24-69
23-012	PA-24 Insp. Report - 230 203	1	2,500 Ea	Service	1-24-69	1-31-69		2-17-69
90-012	PA-28 Insp. Report - 230 207	1	10,000 Ea	Vero	1-24-69	1-31-69		2-18-69
20-012	Distributor Order Record Card	1	300 Tot	Dom. Sales	1-24-69	2-24-69		2-5-69
40-615	PA-28R-200 Cherokee Arrow H/B	11	500 Ea	Pub.	1-24-69	2-1-69		1-29-69
70-012	Production Traveler - 1	1	2,000 Ea	Prod.	1-27-69	2-10-69		1-30-69
20-012	Piper Cherokee Arrow/Cessna 182 Skylane Comparison	15	500 Ea	Dom. Sales	1-27-69	Rush		1-27-69
23-012	AutoFlite Service Manual Cover	1	200 Ea	Service	1-27-69	2-3-69		1-31-69
10-012	Vero Beach Journal Vouchers	2	500 Ea	Acct.	1-27-69	2-17-69		2-18-69
23-012	Form Letter - Current Parts Price Inf.	2	125 Ea	Service	1-27-69	2-3-69		1-28-69
20-012	To All Piper Dist.	1	65 Ea	Dom. Sales	1-28-69	2-4-69		1-29-69
10-012	Letter To Shareholders	1	300 Ea	Exec.	1-28-69	1-28-69		1-28-69
10-012	Attached - IBM Card - Cost	1	10,000 Ea	Cost	1-28-69	2-3-69		2-6-69
60-012	Purchasing Copy	1	1,000 Ea	Purch.	1-28-69	2-15-69		2-5-69
20-012	Inserts For Cherokee Demon.	7	250 Ea	Dom. Sales	1-28-69	2-1-69		1-30-69
30-012	News Release	4	600 Ea	Marketing	1-28-69	2-3-69		1-30-69
30-012	Letter To All Distributors	1	175 Ea	Marketing	1-28-69	1-31-69		1-29-69

210

D

Pa

PRINTING SCHEDULE

Project No.	Description	Sheets	Quan.	Department	In	Requested	Estimated Com Date	Completed
10-012	Proxy	1	300 Ea	Exec.	1-29-69	1-29-69		1-29-69
20-012	PA-30 Twin Comanche Color Charts	1	1,000 Ea	Dom. Sales	1-29-69	1-31-69		2-3-69
23-012	Service Spares Letter - SP-287	1	2,550 Ea	Service	1-29-69	2-5-69		1-30-69
10-012	As Attached - Checks & Cash Receipts	1	500 Ea	Acct.	1-29-69	2-5-69		2-13-69
23-012	Certification Statement Form	3	150 Ea	Service	1-29-69	2-17-69		2-20-69
30-012	Form Letter (Blue Letterhead)	1	2,000 Ea	Marketing	1-29-69	2-6-69		1-31-69
40-616	National Apprenticeship Policy Statement	4	1,200 Ea	Pub.	1-29-69	2-24-69		3-3-69
30-012	Letter To All Dist. & Dealers	1	100 Ea	Marketing	1-30-69	1-31-69		1-31-69
30-012	Education Conv. Cards	1	1,250 Ea	Marketing	1-30-69	2-7-69		2-7-69
30-012	Letter To All Dist. Plus Attachment	2	100 Ea	Marketing	1-30-69	1-31-69		1-31-69
10-012	Production System - Plant Personnel Time Reporting	10	400 Ea	Finance	1-30-69	2-6-69		2-3-69
20-012	Distributor-Franchise Agreement Re: Flite Center	7	200 Ea	Dom. Sales	1-30-69	2-6-69		1-31-69
30-012	Letter To All Dom. Dist.	1	55 Ea	Marketing	1-30-69	2-6-69		2-3-69
30-012	Letter To All Dom. Dealers	1	490 Ea	Marketing	1-30-69	2-6-69		1-31-69
20-012	Page 27 of Supplement #6 - Report 1520	1	185 Ea	Dom. Sales	1-30-69	2-6-69		1-31-69
10-012	Three Procedures - #10-1, #10-69 & #10-4	4 1	87 Ea 60 Ea	Finance	1-30-69	2-6-69		1-31-69
30-012	Sales Promotion	3	675 Ea	Marketing	1-30-69	2-3-69		2-3-69
30-012	Dealer Report Summary - Dec.	14	15 Ea	Marketing	1-30-69	2-4-69		2-3-69
23-012	Service Spares Letter - SP-288	1	2,550 Ea	Service	1-30-69	2-6-69		2-3-69
23-012	Service Spares Letter - SP-289	1	2,550 Ea	Service	1-31-69	2-7-69		2-4-69
70-012	Drill Motor Cards	1	1,000 Ea	Prod.	1-31-69	2-7-69		2-5-69
30-012	Aircraft Proposal Worksheet	6	500 Ea	Dom. Sales	1-31-69	2-5-69		2-3-69

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Pag

PRINTING SCHEDULE

Project No.	Description	Sheets	Quan.	Department	In	Requested	Estimated Com Date	Complete
10-012	Letter To All Employees	1	2,800 Ea	Exec.	1-31-69	Rush		1-31-69
20-012	Letter Concerning Piper Display #20-A	1	600 Ea	Dom. Sales	1-31-69	1-31-69		1-31-69
10-012	Physical Inventory - Service Spares	1	500 Ea	Acct.	1-31-69	2-17-69		2-13-69
30-012	Certificate of Achievement	1	100 Ea	Marketing	1-31-69	3-30-69		4-8-69
23-012	Service Letter No. 520	1	4,500 Ea	Service	1-31-69	Rush		2-4-69
70-012	Cross-Index File Card	1	3,000 Ea	Prod.	2-3-69	2-10-69		2-5-69
50-012	PA-23-250 Receptacle Install.		200 Ea	Insp.	2-3-69	2-10-69		2-5-69
10-012	Stockholders Registration Form	1	250 Ea	Corp. Pl.	2-3-69	2-3-69		2-3-69
30-012	Letter To All Dom. Dist., Dealers & Flite Centers	1	550 Ea	Marketing	2-3-69	2-10-69		2-4-69
10-012	Certification Letters Attached	2	25 Ea	Accounting	2-3-69	2-7-69		2-4-69
40-617	PA-23 Apache Handbook	21	300 Ea	Pub.	2-3-69	2-17-69		2-18-69
40-618	PA-23-250 Aztec B Handbook	20	1,000 Ea	Pub.	2-3-69	3-3-69		2-18-69
20-012	Piper's Personnel Directory - Sales, Service & Marketing	3	300 Ea	Dom. Sales	2-4-69	2-12-69		2-13-69
40-619	PA-23-250 Service Manual	237	200 Ea	Pub.	2-4-69	3-10-69		2-27-69
20-012	Letter to Domestic Dist.	4	75 Ea	Dom. Sales	2-4-69	2-7-69		2-5-69
70-012	Lined Form	1	2,000 Ea	Prod.	2-4-69	2-11-69		2-6-69
70-012	Use Record Card	1	500 Ea	Methods	2-4-69	2-11-69		2-5-69
20-012	Twin Engine Equip. White Slips	1	500 Ea	Dom. Sales	2-4-69	2-14-69		2-14-69
40-620	PA-25 Pawnee Parts Catalog	42	1,500 Ea	Pub.	2-4-69	3-10-69		3-11-69
70-012	Alphabetical Job List	1	2,500 Ea	Prod.	2-5-69	Rush		2-7-69
30-012	Distributor Area Map	1	100 Ea	Marketing	2-5-69	2-7-69		2-11-69

B

OFFICE SERVICES JOB COST

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Project No.

COST CENTER	MAT'L CODE		QUAN.	UNIT COST	C
Plate Making		Photo: Film-Type Size Sq.In.		.09	
		Hours	.1		
		Stripping – Masking Sheet	1	.030	
		Hours	.2		
		Plate Making – 2M Plates Size	1	.350	
		Hours	.2		
		Rek Masters Size			
		Hours			
Duplicating		Multiliths			
		8½ x 11	1	.040	
		Hours	.2		
		914 Copier			
	997 394	Paper – Moistrite – 8½ x 11			
		Hours			
Bindery		Cut 1 Collate Drill			
		Fold Staple Trim .3			
		Pad Package .1 Box			
		SCORE .1			
Mailing		Addressing			
		Hours			
		Inserting			
		Hours			
		Postage			
		Hours			
				Total Material	
				Total Postage	
					Total

PLAINTIFF'S 550

EXHIBIT
U. S. Dist. Court
S. D. of N. Y.

MAR 18 1971

120

WESTERN UNION TELEGRAM

WU14 NL PDB AH NEW YORK NY MAY 17

CASTANE REALITY CO

820 EAST BALD EAGLE ST LOCK HAVEN PENN

WE STRONGLY URGE YOU TO REJECT THE CHRIS CRAFT EXCHANGE OFFER STOP NEW AND IMPORTANT INFORMATION CONCERNING YOUR INVESTMENT IS BEING PREPARED AND WILL BE MAILED TO YOU BY PIPER AIRCRAFT AS SOON AS POSSIBLE.

ON BEHALF OF EXECUTIVE COMMITTEE OF PIPER AIRCRAFT CORPORATION

W T PIPER JR.

145P EDT MAY 19, 1969..

PLAINTIFF'S EXHIBIT 122

551

APR 24 1969

NICOLAS M. SALGO

APRIL 24, 1969

THE SPECIAL COMMITTEE
ON BANGOR AND AROOSTOOK
RAILROAD

Please find enclosed a memorandum written by our Legal Department concerning distribution of minority interests which may be of some use to you.

I would like also to communicate to you additional suggestions which we received from some sources in the investment community.

It seems that everybody is in agreement on the point that a new holding company should be formed to which we would contribute the railroad shares and some or more of these holding company shares should be considered for any type of distribution.

As a further idea, it was suggested that some present corporate debt should be also transferred to this holding company and so in effect further leveraging it. This, of course, would mean a diminishing of the equity value but a potential increment to be accentuated in case of successful operation of the holding company.

We are all awaiting with great interest your recommendations.

BPC/NMS/mfw
ENC.

N. M. S.

Messrs. Curtis M. Hutchins,
George H. Seal
Robert G. Stone

cc's: Messrs. W.C. Robertson
D.W. Wallace
J.E. Flick

MEMORANDUM

FROM: Timothy P. Reames DATE: March 30, 1969

TO: John E. Flick RE: Distribution of Minority Interests

RECEIVED
MAR 31 1969
Office of JOHN E. FLICK

You propose to distribute approximately 15 per cent of the stock of the Bangor and Aroostook Railway Co., to the holders of the common stock of BPC and have asked us to determine how this should be accomplished.

CORPORATE STRUCTURE

The Railroad is a subsidiary of BPO (98+%), which is a subsidiary of BPC. In order to permit BPC to distribute the stock of the Railroad, it would first be necessary to make BPC the direct owner (or preferably the indirect owner through stock in a single business holding company) of the stock of the Railroad. (A distribution of the stock of a BPO subsidiary to the BPC stockholder would result in a dividend from BPO to BPC.) In order to minimize ICC problems, the transfer of ownership of the railroad stock would be from BPO to a new railroad holding company. Stock of the holding company whose only asset would be stock of the railroad would be distributed to the stockholders of BPC.

AFFECT ON STOCKHOLDERS OF BPC OF RECEIPT OF STOCK OF RAILROAD HOLDING COMPANY.

The Internal Revenue Code provides that any distribut of property which would include stock of a subsidiary, by a corporation to its stockholders pro rata, is a taxable dividend There are several exceptions to this rule but they are applicab only if "control" is relinquished - usually through transfer of 80 per cent of the stock of a subsidiary. The distribution of our warrants was tax free because they are treated like a stoc dividend in a company's own stock, and accordingly non taxable by statute.

The amount of the dividend taxed would be the fair m value of the stock at the time it was received. Whether it wo be ordinary income, or a return of capital would depend on whe or not Bangor Punta could, as in the past, show a deficit in current and cumulative earnings and profits.

METHOD OF ADJUSTING CORPORATE ORGANIZATION TO PERMIT DISTRIBUTION OF RAILROAD STOCK

A. Tax Free

The method that appears initially to be most attractive would be to organize a railroad holding company as a subsidiary of BPC, and transfer stock of the railroad from BPO to the new railroad holding company. This would minimize ICC involvement and could be accomplished without creating dividend income to BPC.

The distribution of the stock of the railroad to the railroad holding company, would be accomplished by a "spin-off" of the stock of the railroad railroad by BPO to BPC. Since BPO distributes more than 80 per cent of the stock of the railroad and meets the other requirements of § 355 of the Internal Revenue Code, it would accomplish this without tax consequences. BPC could then contribute the stock of the railroad to the new railroad holding company, tax free, under § 351, and we would have achieved the desired corporate structure. The IRS has held that a spin-off as proposed may be taxed as a dividend if stock spunoff was immediately sold. Their feeling is that this is essentially equivalent to a dividend and should be taxed as such. This should be kept in mind if we contemplate an immediate sale of the stock of the railroad holding company. The distribution by BPC to its stockholders would not violate § 355. Rev. Rul 62-138, 1962-2 CB95.

B. Dividend Distribution

As an alternative, the stock could be transferred as a dividend from BPO to BPC. No taxable income would result to BPO since it files a consolidated tax return, but it would add to the earnings and profits of BPC which could, in effect, bring an end to the current treatment of dividends as a return of capital rather than taxable as ordinary income.

The principal problem with this treatment is that, as will be explained below, since we do not know the basis of the railroad stock, we could not determine the amount of dividend.

C. Sale of Stock

The transfer could also be accomplished by a sale of the stock of the railroad to BPC. The difficulty would be that we could not have a sale at cost, and, therefore, take the risk of having a substantial taxable gain.

SUBSEQUENT SALE OF STOCK OF RAILROAD HOLDING CO.

The distribution by BPC of the stock of railroad holding company to its stockholders, would not result in taxable gain or loss to BPC. However, any subsequent sale would result in a capital gain on the difference between its basis in the stock and the sales price. The original basis of the Bangor and Aroostook Corporation in the railroad would carry over to BPC's current basis in railroad holding company. The problem presented in determining the basis of the railroad company stock is brought about by the fact that in the original exchange of railroad stock for stock of the holding company, the holding company's basis in the railroad was the same as that of the railroad stockholders who exchanged their stock. An attempt was made to determine the basis of the exchanging stockholders, but few responded.

One method of minimizing the tax impact, would be to permit the railroad to sell some of its stock and use the proceeds to pay its debt to BPC or BPC. We could also attempt to create debt on the transfer to railroad holding company, but such debt could not exceed the basis of the railroad stock and any repayment might be treated as a dividend.

An attempt could be made to obtain an established basis by liquidating railroad tax free, under Section 332 (b)(1) of the Internal Revenue Code. The basis of the assets would then carry over, and in a subsequent transfer of the assets to a new corporation, the basis of the stock in the new corporation would be the basis of the assets. This, in my opinion, then would have little chance of success, unless we could establish a valid business purpose for the transaction. It could also present ICC problems.

25

DX #20

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APR 17 1969

BANGOR PUNTA CORPORATION

MEMORANDUM

FROM: Curtis M. Hutchins

DATE: April 14, 1969

TO: Nicolas M. Salgo

RE:

I am glad to accept your suggestion that I chair a Committee of the Board in connection with the relationship of Bangor Punta to its Railroad subsidiary -- to come up with recommendations for a plan of action. I am particularly pleased to work with my co-Committee members, Messrs. Seal and Stone.

I am quite fully scheduled until the week of April 28. I would hope that about that time we could convene the Committee and proceed.

CMH:ls

cc: W. Gordon Robertson
David W. Wallace
George H. Seal
Robert G. Stone

PLAINTIFF'S
EXHIBIT
U. S. Dist. Court
S. D. of N. Y.
125
MAR 18 1971

MAR 19 1971

139

556

PLAINTIFF'S EXHIBIT 139

CRAVATH, SWAINE & MOORE

ONE CHASE MANHATTAN PLAZA

NEW YORK, N.Y. 10005

212 HANOVER 2-3000

TELETYPE: 710 581-0338
TELEX: 1-25547

EUROPEAN OFFICE
4, PLACE DE LA CONCORDE
PARIS 8e
TELEPHONE: 265-81-17
TELEX 29 530

CABLE ADDRESSES
CRAVATH, N.Y.
CRAVATH, PARIS

CARL W. PAINTER
COUNSEL

MAURICE T. MOORE
BRUCE BROMLEY
ROSWELL L. GILPATRIC
CARLYLE E. MAW
EDWARD S. PINNEY
THOMAS A. HALLERAN
ALBERT R. CONNELLY
L. R. BRESLIN, JR.
GEORGE B. TURNER
FRANK H. DETWEILER
GEORGE G. TYLER
JOHN H. MORSE
HAROLD R. MEDINA, JR.
CHARLES R. LINTON
WILLIAM B. MARSHALL
RALPH L. McAFEE
ROYALL VICTOR
ALLEN H. MERRILL
HENRY W. DE KOSMIAN
ALLEN F. MAULSBY
STEWARD R. BROSS, JR.
HENRY P. RIORDAN
JOHN R. HUPPER

SAMUEL C. BUTLER
WILLIAM J. SCHRENK, JR.
BENJAMIN F. CRANE
FRANCIS F. RANDOLPH, JR.
JOHN F. HUNT, JR.
GEORGE J. GILLESPIE, III
RICHARD S. SIMMONS
JOHN W. BARNUM
WAYNE E. CHAPMAN
THOMAS D. BARR
MELVIN L. BEDRICK
GEORGE T. LOWY
ROBERT ROSENMAN
JAMES H. DUFFY
ALAN J. HRUSKA
JOHN E. YOUNG
JAMES M. EDWARDS
DAVID G. ORMSBY
DAVID L. SCHWARTZ
RICHARD J. HIEGEL
FREDERICK A. O. SCHWARZ, JR.
CHRISTINE BESHAR
ROBERT S. RIFKIND

March 19, 1971

Chris-Craft Industries, Inc.
Plaintiff v. Piper Aircraft Corporation,
et al., Defendants (69 Civ. 2227)

Bangor Punta Corporation,
Plaintiff v. Chris-Craft Industries, Inc.,
et al., Defendants (69 Civ. 2354)

Dear Sir:

I am an attorney associated with the firm of Cravath, Swaine & Moore. During the fall and early winter of 1968-69 I performed certain professional services for Chris-Craft Industries, Inc. ("Chris-Craft"), a client of this firm. I am writing this letter pursuant to an agreement between counsel for Bangor Punta Corporation ("Bangor Punta") and Chris-Craft to furnish certain information desired by said counsel.

If called to testify in the above-entitled actions, I would testify as follows:

I participated in the preparation of the Chris-Craft Registration Statement (Registration Statement No. 2-30627), which became effective December 10, 1968, relating to an offering of $26,000,000 (maximum) aggregate principal amount of Chris-Craft's 6% Convertible Subordinate Debentures Due 1989. In particular, I participated in the drafting of the Section entitled "Purpose of Issue" of the prospectus which is part of such Registration Statement. A printed draft dated October 24, 1968, of such Registration Statement contained in such Section the quoted statement set forth on pages 2-3 of the Bangor Punta "Factual Analysis" submitted to this Court. The second sentence of that quoted statement referred to Chris-Craft's acquisition of a certain amount of the stock of, and communications with the President of, an unidentified company. That sentence

in the quoted statement was included in the printed draft in order to make appropriate reference to the matters referred to in a telegram from Chris-Craft to Harley-Davidson Motor Co., which I was shown and which to my best recollection was the telegram a copy of which is attached hereto. At no time during the preparation of such Registration Statement was the name of Piper Aircraft Corporation ("Piper") mentioned in any discussion at which I was present.

The first time that I (or to the best of my knowledge anyone in this office) heard of Chris-Craft's interest in Piper was a telephone call made to me by James J. Rochlis, then Vice President of Chris-Craft, on January 9, 1969. Mr. Rochlis informed me that Chris-Craft was interested in Piper and asked me to arrange for the duplication at the New York Stock Exchange library of all Piper documents there on file, including filings with the Securities and Exchange Commission, annual reports and communications to shareholders.

Respectfully yours

Mitchell M. Gitin

Mitchell M. Gitin

Hon. Milton Pollack,
United States District Judge,
United States Court House,
Foley Square,
New York, N. Y. 10007

Encl.

12A

BY HAND

Copies w/encls. to Arthur L. Liman, Esq.,
Messrs. Paul, Weiss, Goldberg, Rifkind,
Wharton & Garrison,
345 Park Avenue,
New York, N. Y. 10022

BY HAND

Counsel for Chris-Craft Industries, Inc.

James V. Ryan, Esq.,
Messrs. Webster Sheffield Fleischmann
Hitchcock & Brookfield,
One Rockefeller Plaza,
New York, N. Y. 10020

BY HAND — Counsel for Bangor Punta Corporation

John F. Arning, Esq.,
Messrs. Sullivan & Cromwell,
48 Wall Street,
New York, N. Y. 10005

BY HAND — Counsel for The First Boston Corporation

Paul G. Pennoyer, Jr., Esq.,
Messrs. Chadbourne, Parke, Whiteside & Wolff,
25 Broadway,
New York, N. Y. 10004

BY HAND — Counsel for Piper Aircraft Corporation

DOMESTIC SERVICE
Check the class of service desired; otherwise this message will be sent as a fast telegram
TELEGRAM
DAY LETTER
NIGHT LETTER

$ S E

WESTERN UNION TELEGRAM

W. P. MARSHALL, CHAIRMAN OF THE BOARD
R. W. McFALL, PRESIDENT

INTERNATIONAL SERVICE
Check the class of service desired; otherwise the message will be sent at the full rate
FULL RATE
LETTER TELEGRAM
SHORE SHIP

NO. WDS.	CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
				CHRIS-CRAFT INDUSTRIES, INC.	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

October 15, 1968

MR. WILLIAM H. DAVIDSON, PRESIDENT
HARLEY-DAVIDSON MOTOR COMPANY
MILWAUKEE, WISCONSIN 53201

I AM IN RECEIPT OF YOUR LETTER DATED OCTOBER 14, 1968. ON BEHALF OF CHRIS-CRAFT WE WOULD BE WILLING TO MAKE THE FOLLOWING PROPOSALS, SUBJECT TO APPROVAL OF OUR BOARDS AND DISCUSSIONS WITH YOUR MANAGEMENT AND ANY FILINGS WITH THE SEC WHICH WE WOULD BE REQUIRED TO MAKE:

1. A TENDER OFFER FOR NOT LESS THAN 300,000 SHARES AT $34.00 PER SHARE PLUS COMMISSION

2. A TAX-FREE EXCHANGE FOR SECURITIES OF CHRIS-CRAFT; OR

Delivered to Western Union
10/15/68 - 4:16 P.M. Carl Ulman

(782-65)

DOMESTIC SERVICE
Check the class of service desired, otherwise this message will be sent as a fast telegram
TELEGRAM
DAY LETTER
NIGHT LETTER

$
S
E

WESTERN UNION TELEGRAM

W. P. MARSHALL
CHAIRMAN OF THE BOARD

R. W. McFALL
PRESIDENT

INTERNATIONAL SERVICE
Check the class of service desired, otherwise this message will be sent at the full rate
FULL RATE
LETTER TELEGRAM
SHORE SHIP

NO. WDS.	TIME FILED	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME SENT
			CHRIS-CRAFT INDUSTRIES, INC.	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

HARLEY-DAVIDSON MOTOR COMPANY PAGE 2 OCTOBER 15, 1968

3. PART CASH AND PART SECURITIES

I AWAIT YOUR PROMPT REPLY

HERBERT J. SIEGEL
CHAIRMAN OF THE BOARD AND PRESIDENT

CHRIS-CRAFT INDUSTRIES, INC.

WU1208(1R2-65)

PLAINTIFF'S EXHIBIT 140

Deposition of JOHN MAC GREGOR BLEWER,

July 10, 1970

negotiations with Mr. Hartwell.

Q Let us bear that in mind as we proceed.

A I think you should. There is a lot of money involved.

Q Did you have any discussions about the fact that you were going to be deposed, with Coudert Brothers?

A I didn't tell Fritz Coudert, or anyone else there, I was coming here.

Q Have you had any discussions with anyone at the Paul, Weiss firm?

A I have not had any discussions with anyone at all except my wife.

Q Mr. Blewer, are you acquainted with any of the employees or officers of Mitchell, Hutchins & Company, Inc.?

A No, not by name. I know them by reputation.

Q Do you know a Mr. Roger Spencer at Mitchell, Hutchins?

A No, and I don't think I have heard the name before. I may have; I don't know.

Q I direct your attention to the latter part of 1968. Do you recall having a conversation with Mr. Spencer concerning Chris-Craft Industries,

perhaps $3 million, and I imagine the position size was 2 to $300,000 in market value in Piper stock. I recall they held it and held it successfully, through at least '68, maybe into '69 sometime.

Q Do you recall any other accounts that held positions in Piper, by name?

MR. AUSPITZ: During what time?

Q During the period of 1968 into 1969.

A Let me think.

Well, I imagine -- I am 90 percent sure that the following accounts which I managed had Piper stock in the same period of time.

The first name was Miranda de Toulouse Latrec.

Another account was John W. Garrow.

Another account was George S. Heyer, Jr. and his family.

I can't think of the others, but I don't really recall specifically. I know that perhaps 15 to 20 of the 40 or 50 accounts I managed had the stock.

Q Do you recall, Mr. Blewer, whether you caused the accounts that you managed to sell your Piper stock over the market or what happened to them?

MR. AUSPITZ: Objection.

A As I said before, I think almost all of it, or perhaps all of it, perhaps not, was sold before the Chris-Craft bid, although the stock had run up once or twice before that and that was the reason for the sale, I am sure.

What else should I reply on that question? You can lead me by the nose.

Q Thank you, Mr. Blewer.

I direct your attention, Mr. Blewer, to Bangor Punta Exhibit 166 for identification, and I ask you if that refreshes your recollection that you had a conversation with Mr. Spencer sometime prior to the time you wrote that memorandum.

A In response to that, I would say, No. 1, I recognize my own handwriting, which is clearly identifiable, and in the second place, it does refresh my recollection that I had conversations with at least one person on Chris-Craft, at least partly in connection with Piper, at one time or another. I don't remember the conversation itself from which these notes were taken, but, you know, I am sure that the notes record the material parts of the conversation because I took very thorough notes,

and this was a rather esoteric idea.

Q Are you acquainted with any of the officers or directors of Chris-Craft?

A No. Not to my knowledge, I should say.

Q Have you ever met Mr. Herbert Siegel?

A No.

Q Mr. Gordon?

A No.

Q Mr. Rochlis?

A No.

Q Mr. Oristano?

A Not to my knowledge.

Q Do you recall how it came about that you had this conversation, if you had a conversation, with Mr. Spencer? Did he call you or did you see him?

A He called me, I am sure. He was, as I recall, a friend of Robert Michell, who was the vice-president of J. M. Hartwell & Company.

Where was Spencer's office? What it New York?

Q Chicago.

A Well, I remember it very clearly then. His primary contact at Hartwell was Robert Mitchell,

Spencer or anyone at Mitchell, Hutchins at or about that time?

A Not to my knowledge.

Q Do you recall learning at some point that Chris-Craft had interest in acquiring the common stock of Piper Aircraft?

A Well, I am sure I knew it sooner or later because it became public knowledge, it was in the newspapers, but I don't think I knew about it before I read it in the press.

Q Do you recall hearing any rumors on the Street during the middle part of January 1969, that Chris-Craft was about to make some sort of an acquisition?

A Well, I would have known from the conversation with Mr. Spencer that they were going to make some sort of acquisition of something, but whether it was going to be light aircraft, or jacks, you know, I don't know.

Q Do you recall learning at some point that Mr. Burtt was no longer managing some of the accounts that he had previously been managing, at around the latter part of 1968, the early part of 1969?

A Oh, yes, I remember that very clearly.

Q Do you recall having any conversations with Mr. Campbell during the latter part of 1968 or early 1969, about the Piper securities which were in Mr. Durtt's accounts?

A No, I don't. It was well known that I was the only one interested in light aircraft in the firm, or had much knowledge of them.

Q Do you recall learning at some point that Mr. Campbell determined that it would be advisable to sell some or all of the Piper securities that were in the accounts that he took over from Mr. Durtt?

MR. AUSPITZ: Note my objection to the question.

A I don't recall any such conversation, no.

You should know that Bill Campbell tried to sell almost everything on all the accounts he took over if there was any market. His accounts were utter disaster.

Q Returning to Bangor Punta 116 for identification again, Mr. Blewer, do you recall that Mr. Spencer told you that initial acquisitions to be made by Chris-Craft would be made for cash, and then later on, for securities?

A I don't recall the specific comment from Mr.

Spencer to that effect, no.

Q I direct your attention to the bottom of the second page of this document, 166 for identification, and I ask you to read that last phrase and see if it refreshes your recollection.

A Well, it refreshes my recollection because it is my handwriting and I am sure that is what he said. It is perfectly clear what he says. This was a technique used by acquisition-minded companies, of course, to increase their earnings through acquisitions, and if the stock goes up, to use the stock. There is nothing very surprising about that procedure.

Q Do you recall discussing with Mr. Spencer at any time the fact that you had had an interest in the stock of light aircraft companies?

MR. AUSPITZ: Objection; asked and answered.

A No, I don't really.

Q You don't recall bringing that up at all in the conversation which is reflected in Dangor Punta Exhibit 166 for identification?

MR. AUSPITZ: Objection.

A No.

Q Mr. Dlewer, the subpoena which was served

PLAINTIFF'S EXHIBIT 141

Deposition of EDWARD E. BURNS

December 16, 1969

Mr. Cooney knew, that owned Piper shares at that time?

A Yes.

Q Did Mr. Cooney indicate to you the purpose of Mr. Siegel or Chris-Craft purchasing Piper shares?

A Repeat that.

MR. RYAN: Would you read the question.

(The reporter read the pending question.)

A No.

Q He said nothing to you about it?

A No.

Q Did Mr. Cooney indicate whether any other employee of your firm was aware of Chris-Craft's intention or desire to purchase Piper shares?

A No.

Q Well, after speaking to Mr. Cooney, did you remain then on vacation until December 30th or close to it?

A I came back for Christmas here, and then I was in the office the following day. I can't recall, but it was approximate. It was only a few days that I was on vacation.

Q And then you, if I understand you correctly, to the best of your recollection, on December 30th you first spoke to Mr. Siegel and at that time offered him some Piper securities?

A That is correct.

5,200 shares available for sale which were purchased pursuant to these?

A I asked our floor broker to see if there was any Piper available. This was before December 30th, by a day or so.

The comment at that time was "No."

As brokers do, they walk around the floor. The specialists grab them and say, "Listen, you can grab 5,000 shares at 53."

I simply took that offering and reflected it to Mr. Siegel.

Q This offering came through your floor broker, advising you that he had been advised on the floor that a block was for sale?

A Yes.

Q And this was on December 30th?

A That is correct.

Q And as you testified before, you called Mr. Siegel and made the offer?

A That is correct.

Q Did you instruct your floor broker, when you had your first earlier conversation with him, inquiring as to the availability of any shares, to keep asking questions around?

various -- I can't say exactly what members of the firm, but they would be from a trading level.

Q When you say "listed holders," you mean the institutional holders?

A Yes. Anything that would be registered in -- I believe it is called Facts on Funds, or Vickers, whichare two sources that we use.

Q Do you recall when you contacted the Keystone people?

A After December 30th.

Q Do you keep any telephone diary or record or anything similar which would recount that?

A No.

Q Does your secretary maintain such records?

A No.

Q Do you recall who you contacted at the Keystone Fund?

A Traders, of which there are three, and I could not tell you which one.

Q Do you recall what you stated to the Keystone Fund, the conversation you had with the Keystone Fund, when you first contacted them?

A To the best of my recollection, it would be, "We are in touch with a buyer of Piper."

Q Did you identify the buyer?

A No. We never do.

Q Did there come a time, Mr. Burns, when you learned that Chris-Craft planned to make a substantial purchase of Piper shares followed by a cash tender offer?

Do you recall when you first learned of Chris-Craft's intention to make a public tender offer for Piper securities?

A I believe when announced on the Dow Jones.

Q The tender offer was made on January 23rd. That was the date it was announced for the first time.

Your recollection is now, that the first time you learned of the tender offer was when it was announced on the Dow Jones?

A I believe that is correct.

Q Did you have any -- excuse me.

A There was some other news on Dow Jones perhaps prior to that, but that is the first time I recall hearing of it.

Q Prior to that announcement on the Dow Jones, did you have any conversations with anyone at Chris-Craft concerning their intentions towards acquiring Piper securities?

Did you have any discussions with them as to

Q Do you know whether the specialist had asked anyone to assist him in locating blocks of Piper shares?

A I don't know whether he did.

Q I show you Exhibit 3 for identification and I ask you whether you had anything to do -- well, first, do you know whether this Exhibit 3, which contains three purchase orders, was one transaction or two separate transactions?

A It would appear to be two different transactions.

Q All right, we will take the purchase orders which are time-stamped 11:49, totaling 12,000 shares.

Did you have anything to do with that transaction?

A Yes.

Q Can you tell us what your connection is with that transaction and how it arose?

A Again, I was offered 12,000 shares from the floor and showed it to Mr. Siegel. I can't recall the price shown -- you know, initially, but the price agreed upon was 54.

It looks as though later I was shown another 10,000 and that transaction was the same procedure.

It was consummated at 54 again.

Q Do you know who were the owners of the Piper shares that were purchased here?

A No.

Q Do you know whether any employee of your firm contacted any of the owners of these securities which are reflected in these purchase orders?

A To the best of my knowledge, no.

Q And your present recollection is that these securities again came through your floor trader?

A That is correct.

MR. RYAN: Would you mark as Burns Exhibit 4 for identification purchase orders 4236, 4215 and 4188.

(Photostatic copies of three purchase orders numbered 4236, 4215 and 4188 marked Burns Exhibit 4 for identification, as of this date.)

MR. RYAN: Would you mark as Burns Exhibit 5 for identification purchase orders number 4187, 4116.

(Two purchase orders bearing numbers 4187 and 4116 marked Burns Exhibit 5 for identification, as of this date.)

Q I show you Exhibits 4 and 5 for identification and you may disregard order No. 4236 and we will just

BY MR. RYAN:

Q As I understand it, Mr. Burns, it is your recollection that as far as the purchases on behalf of Technology Fund of Chris-Craft Industries is concerned, which occurred on January 23, 1969, this was a series of orders that came into your firm, not one single order for the total block of shares subsequently acquired by Technology Fund?

A That is correct.

Q And then those order slips would just be the normal order slips that come in from your customers, that you would normally execute or prepare for your customers?

A That is correct.

Q And you have no recollection, as I understand it, as to whether there were any specific instructions given by Technology Fund as to the time when such orders should be placed on the floor?

A No.

Q Did you ever advise anybody at Chris-Craft that Technology Fund was buying shares of Chris-Craft?

A No.

Q Do you know whether any fellow employee of your firm ever so advised Chris-Craft?

A I don't know. I hope not.

A No.

Q Who is Marvin B. Koehler?

A He is the comptroller of Mitchell, Hutchins and he reports to Mr. Peterson.

Q And who is Eileen White?

A Mr. Peterson's secretary.

Q Did you ever have any discussions with anyone prior to January 23, 1969 concerning the name of the firm that Chris-Craft was going to purchase the securities of through this account, account No. 100?

A On January 23rd or December 23rd?

Q January 23rd. Prior to January 23, 1969. That is the date that the public tender offer was made. Now, prior to that time, did you have any conversations with anyone concerning the fact that Chris-Craft was going to use this account, account No. 100, to acquire shares of Piper?

A Yes, with Mr. Peterson and with Mr. Siegel.

Q When?

MR. CROWELL: He has testified to some conversations with Mr. Siegel.

A I believe on the 30th of December.

Q Mr. Siegel is on the 30th of December?

A Yes.

Q How about Mr. Peterson?

A I believe that was on the 30th.

Can we go off the record?

MR. CROWELL: He testified he had conversations with Mr. Siegel.

MR. RYAN: Mr. Siegal was on the 30th.

MR. CROWELL: And thereafter.

MR. RYAN: And thereafter.

Q What about Mr. Peterson? As I understand it, your recollection is that your first conversation with Mr. Peterson was on or about December 30th?

A That is correct.

Q Did you discuss this with anyone else at Mitchell, Hutchins?

MR. CROWELL: Discuss what?

MR. RYAN: The purpose of this account.

MR. SCHLOSSER: I believe he already testified.

MRS. WARSHAUER: He didn't testify he discussed the purpose of this account 100 with Mr. Siegel or anybody else.

MR. CROWELL: He testified he had conversations with Mr. Siegel in which he told him to buy Piper shares on that account number, and I think that speaks for itself.

PLAINTIFF'S EXHIBIT 142

Deposition of CARLETON D. BURTT,

January 15, 1970

declined to a point where we thought there was limited risk and the earnings multiple at that price was reasonable once again on the revised earnings estimate which had now been supplied us by Jack Markell.

Q Do you recall having any discussions in the early fall of 1968 about how many shares of Piper it would be advisable to purchase?

A No.

Q Do you recall having any conversations with anyone outside of Hartwell at about this time, concerning the advisability of investing in Piper stock, aside from Mr. Markell?

A No.

Q Are you acquainted with any of the personnel at Mitchell, Hutchins & Company?

A Am I personally?

Q Yes.

A I am not.

Q Do you recall anyone at Hartwell at or about this time telling you that he had any conversations with anyone at Mitchell, Hutchins & Company about Piper?

A No, I don't.

Q Do you know a Muriel Siebert?

A I know of her but I don't know her.

Q Do you know any of the officers or employees at Chris-Craft Industries, Inc.?

A I do not.

Q Do you recall anyone at Hartwell telling you that at or about that time they had any conversations with Chris-Craft or any officer of Chris-Craft?

A No.

Q I direct your attention to the early part of November 1968.

I ask you if you recall whether or not you recommended purchases of approximately 5,000 shares of Piper.

A I am not clear what you mean when you say "recommended the purchases."

Q Initiated a purchase.

A That is different.

Yes, I would have -- I think that was a trade that I made for one of the accounts.

Q Do you recall having any conversations about that trade prior to the time you made it?

A Only with our trading room.

Q What would those conversations have been?

A Buy 5,000 shares.

as we had seen during the time that we had been purchasing the stock, to the best of my recollection.

I felt that was an attractive opportunity for two accounts, if I remember correctly, who had substantial capital available at that time for investment, so I purchased the stock.

Q Did there come a time, Mr. Burtt, at or about the end of December, when you had any conversations with anyone at Hartwell regarding the advisability of selling any of your Piper securities?

A I knew we were going to get to this, and the reason for the apparent switch is that Park Avenue Funding and one or two other accounts were shifted from my responsibility to the responsibility of Mr. Campbell.

He decided that he did not wish to hold as large a position in Piper as I wished to have done, and that was the underlying cause for the sale of the apparent reversal of activities.

Q Do you recall any conversations with Mr. Campbell at or about this time concerning selling Piper?

A Yes.

Q Do you recall what you said to him and

what he said to you?

A Yes. I said, "You shouldn't sell," and he said he was going to.

Q Did he tell you why he thought the sale was advisable?

A Yes. He said he didn't know the stock very well, which is a term that is used in the investment community, Mr. Barrett. He had other ideas that he would rather see in the account or accounts -- I can't at the moment recall whether it was only Park Avenue or one or two others that I shifted to his responsibility at that time.

That's it.

Q Do you recall approximately when the shift occurred in the responsibility for Park Avenue Funding?

A Well, I don't recall the exact date but it certainly coincides with the sales made in Piper, so it would have been very early 1969, if not the last few days of '68.

Q What was the reason for the shift, if I may ask?

A At that time, I was shifting several of my accounts because the new business development activities of the firm began to absorb more and more of my

THE WITNESS: Or a large bid.

MR. SMITH: And you would deal through him simply because he came to you with t t information?

THE WITNESS: Well, that would be the factor I mentioned, with the execution capabilities, that is what we would refer to as execution capabilities.

Oftentimes a broker will have in hand a large block of stock for sale or a large purchase order and this comes down on the board or over the counter.

BY MR. BARRETT:

Q During the latter part of 1968, was a Mr. Blewer employed by J. M. Hartwell?

A Yes, he was.

Q Do you recall ever having any conversations with Mr. Blewer in the latter part of 1968 about Chris-Craft Industries, Inc.?

A No, sir, I don't.

MR. BARRETT: Off the record.

(Discussion off the record.)

Q Mr. Burtt, going over the list of accounts of which you sa you had responsibility for,

PLAINTIFF'S EXHIBIT 143

Deposition of DAVID H. GREENE,

June 16, 1970

Whereupon, 2:15 o'clock p.m.

DAVID H. GREENE,

called by the plaintiff Bangor Punta Corporation, having been duly sworn by the Notary Public, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. BARRETT:

Q Mr. Greene, would you state your name for the record, please?

A Yes. My name is David H. Greene.

Q Where do you reside?

A I reside at 45 Shorncliff Road, Newton, Massachusetts.

Q What is your present occupation, Mr. Greene?

A I am a Financial Consultant.

Q Are you employed by yourself?

A I am self-employed, yes.

Q Do you maintain an office?

A In my home for the present time.

Q Were you ever employed by the Keystone Custodian Funds, Inc.?

A Yes, I was.

Q During what period were you employed by Keystone?

A From April 1st, 1965 to January 2nd, 1970.

Q During the period commencing with January 1968 through

January 1970, what position did you occupy?

A. What were the inclusive dates again?

Q. January 1969 through the time of your separation from Keystone.

A. I served in several capacities. As Associate Director of Research during that period of time, Specialist in Electronics Issues and a Vice President of the Corporation.

Q. During that period were you a Manager of any of the Keystone funds?

A. Yes, I was.

Q. What fund were you Manager of?

A. Keystone K II, the International Fund and Polaris, during different periods of time.

Q. For approximately what period until what period were you the Fund Manager of the Polaris Fund?

A. From, let's see, I guess the charter was changed, I guess September 1968 until I left.

Q. What are the objectives of the Polaris Fund, Mr. Greene?

A. The objectives are mainly growth. It is, in other words, a fund where you try to get some price appreciation, say above average price appreciation.

Q. How did the objectives of the Polaris Fund differ from

MR. MOORE: Excuse me. Would you repeat the question?

(The reporter read the pending question.)

A. I couldn't tell you.

Q (By Mr. Barrett) To your knowledge?

A. I don't remember. The knowledge is limited by my recollection.

MR. BARRETT: Would you mark this, please, Exhibit 107 for Identification?

(BANGOR PUNTA EXHIBIT #107 FOR IDENTIFICATION)

Q (By Mr. Barrett) Mr. Greene, I show you Bangor Punta Exhibit #107 for Identification which is an Addition Recommendation for Polaris Fund dated January 16, 1969. Have you seen that?

A. Yes, I have.

Q Do you recall how that came about that that document was prepared?

A. The document is just a corollary of Mr. Buneman's recommendation and is generally a situation where I agreed with the Analyst and therefore it is included or added to the Fund at that time.

Q Prior to January 16, 1969, which is the date of this memo, had you had any conversations with anyone at Chris Craft?

A. Not at the Company.

Q Had you had any conversations with anyone outside of Keystone regarding the advisability?

A I probably did, but I can't recall who.

Q Did you have any conversations with anyone from Mitchell Hutchins during that period?

A Probably, but here again I can't recall definitely.

Q Do you know Mr. Roger Spencer?

A No.

Q Have you ever had any conversations with Mr. Spencer?

A No.

Q Did you discuss the Research Department comments of Mr. Buneman with him prior to the time that you signed this Recommendation?

A Yes.

Q Do you recall whether you discussed this with him on the date that it was prepared or some days prior to that?

A I have no idea. It would most likely have to be on the day, on some day previous to the time that it was prepared. Otherwise the statement would never have been written.

Q Did you ask Mr. Buneman what the source of the information contained in his report was?

A Well, usually I would ask him questions pertinent to

Q (By Mr. Barrett) Do you recognize the handwriting, Mr. Greene?

A No, I don't. It's not mine.

Q Is it possibly Mr. Buneman's handwriting?

A It could possibly be. I don't know.

Q Did there come a time, Mr. Greene, when you do recall that you or someone connected with the Polaris Fund had a conference with representatives of Chris Craft?

A I never had a conference with anyone at Chris Craft, any official or anyone in any way affiliated or associated with them.

Q You never met Mr. Seigel?

A I never met Mr. Seigel.

Q Do you know if Mr. Buneman ever had a conference or had seen Mr. Seigel at anytime?

A I just recall him mentioning Mr. Seigel's name. Whether he had a conference with him or not I can't tell you.

Q Would it refresh your recollection if I told you that Mr. Seigel has testified that at some point he had a meeting with some of the officers of the Keystone Fund in Boston?

A He may have. I don't know.

Q But you don't recall him reporting to you that he had such a meeting?

A Never. He never reported it to me.

MR. MOORE: May I read that portion of Mr. Seigel's deposition?

Q (By Mr. Barrett) Is it your testimony, Mr. Greene, that in recommending to the Executive Committee of Keystone that they proceed with the purchase of Chris Craft for the Polaris Fund you were relying almost exclusively on Mr. Buneman's recommendation?

A Well, from point of view of fundamentals, I was. There are other points that have to be considered too.

Q What other points?

A Well, as far as a recommendation was concerned, obviously there are other things that do more or less create parameters by which you can make judgment, and one would be the technical factors of the chart picture and so forth.

Q Do you recall what the technical factors of the chart picture were?

A I don't recall.

Q Do you recall if that entered into your conversation at the time you made the purchase?

Q And the next day after the 19th?

A Hmm hm, yes.

Q What was the objective of the Polaris Fund at that time regarding Chris Craft?

A Regarding Chris Craft?

Q Yes.

A Actually, Chris Craft was attractive in that it was in the leisure time area and seemed to be becoming more and more of a leisure-oriented company, and this was the major attraction as far as I was concerned, with the possibility of improvement in earnings. It was a combination of these things, of course. These were the reasons for purchasing in the first place. Again, these are stated in the Addition papers.

Q Do you recall what the objective was in terms of number of shares in January 1969?

A I just read the number of shares on the thing and I recall only because I just read it. Without seeing that I wouldn't know. However, what was the price at the time? Forty-four? Yes. So this generally indicated that I was probably interested in buying and putting about two and a half percent of the Fund into Chris Craft.

Q Thank you. Did you ever have any conversation at about this time with Mr. Carlson, who managed at that

PLAINTIFFS EXHIBIT 144

Deposition of JOHN HAWKINSON,

December 3, 1969

reflecting, and they would not reflect an actual decision to sell until the decision, the price and so forth, had actually been agreed upon.

MR. RYAN: Aren't there some sales where, as I read some of these reports that were produced, there is an order for a sale, and then it is marked "Discretionary" or at certain prices or things like that? Wouldn't that be customary in this transaction here?

MR. CHORN: That is customary. It might or might not be done.

MR. RYAN: It might or might not be done?

MR. CHORN: That is correct.

MR. RYAN: In your search of your records of Supervised Investors, you did not turn up any minutes of any meeting prior to late January of 1969 which recorded a decision to sell some or all of the Piper shares?

MR. CHORN: That is correct, Mr. Ryan.

BY MR. RYAN:

Q Did there come a time when someone advised you that there was a possible purchaser of the entire Piper block?

A Yes.

Q Do you recall when that was and who spoke to you, approximately?

A Well, it was sometime in January of 1969 when officials of Chris-Craft expressed an interest in purchasing the entire block.

Q Prior to this expression of interest by Chris-Craft, had you, or to your knowledge, did any member of your organization of your firm discuss the possible sale of the Piper shares to Chris-Craft or to anyone else?

A It is possible that a member of the Research Department or the Investment Committee discussed the possible sale to Chris-Craft or someone else, but I was not aware of those discussions at the time.

Q Did anyone in your firm advise you of any conversations he may have had with Mr. Spencer of Mitchell Hutchins concerning a disposition of this Piper block?

A No.

Q Did you ever discuss the disposition of the Piper stock with Mr. Spencer?

A Only at the time of the meeting with Chris-Craft Industries.

dealings were with Mr. Siegel?

A Yes.

Q During the course of these conversations with the Chris-Craft officials, was there any conversation concerning the possibility of your firm recommending to the mutual funds it represents the possibility of purchasing Chris-Craft securities?

A There were only the discussions I referred to relative to the plans of Chris-Craft to concentrate in the leisure time industry and some discussion of their operations, but we had no definitive discussions relative to purchasing any Chris-Craft securities.

Q Did there come a time when your firm recommended to any of the Funds you represent the purchase of Chris-Craft securities?

A Well, my memory is that subsequent to this transaction involving the disposition of Piper that the Investment Staff recommended the purchase of Chris-Craft securities.

Q Do you recall whether you ever discussed the possibility of investing in Chris-Craft securities at an Investment Committee meeting? And if so, when in relationship to the time you sold -- not you sold --

but the Tech. Fund sold its Piper holdings?

A Well, it was subsequent to that time. I don't know how much time elapsed.

Q Do you recall whether you had any sort of a report from your Research Department to the Investment Committee concerning the desirability of acquiring Chris-Craft securities?

MR. ACKELL: I object with particularity to this line of questioning which is even more remote from any of the issues in this case, and on the questioning thus far, which has not been material, in my opinion either.

MR. RYAN: Of course, it is hard to say whether it is remote or whether it is not remote until we find out what the answers are. I would think from the documents produced commencing on January 23rd, which was the same date that Chris-Craft made its tender offer, announced its tender offer, the Technology Fund at that time began purchasing Chris-Craft securities.

MR. ACKELL: Is that relevant to one of the issues in one of these actions?

MR. RYAN: I would think so.

MR. ACKELL: Which one?

A I testified relative to the time factor of completing this acquisition; that Chris-Craft advised me that they were filing a tender proposal with the SEC.

Q I wonder whether you whether that fact was discussed in the Investment Committee meeting which decided to go ahead with recommending purchasing Chris-Craft securities, if you recall?

MR. CHORN: If you recall.

THE WITNESS: A Yes, I do. I recall that it was discussed.

BY MR. RYAN:

Q Did you ever at any time, or, to your knowledge, did any representative of your firm discuss with Chris-Craft the fact that you were recommending and were purchasing for your mutual funds you represent Chris-Craft securities?

A I did not have such discussions with Chris-Craft, and I wouldn't know whether any member of our Investment Staff had such discussions.

Q Do you recall discussing at your Investment Committee meetings or with your associates the purchases being made by or on behalf of Technology Fund of Chris-Craft securities commencing in January

for the purchases of the preferred stock of Chris-Craft purchased by Tech. Fund.

Bangor Punta's Exhibit No. 3 indicates that beginning on January 23, 1969 and ending on approximately February 18, 1969 that Tech. Fund purchased a total of 50,000 shares of common stock, and Exhibit No. 4 reflects that in a similar period of time, or beginning in February and ending about the same time, February 17, purchased approximately 10,116 shares of preferred stock.

Do you recall discussions at the Investment Committee concerning the determination of the amounts to be purchased and what the substance of those discussions were?

A My memory is that subject to the availability of Chris-Craft at a price in the low fifties, which was the then market, that we initially contemplated the purchase of approximately 50,000 shares of Chris-Craft; and I believe the decision to purchase the preferred was made subsequently purely on the arbitrage of conversion and dividend.

Q Do you know what firms executed these orders for Tech. Fund?

600

PLAINTIFF'S EXHIBIT 145

Deposition of DEAN LE BARON,

June 16, 1970

P R O C E E D I N G S

10:35 o'clock a.m.

Whereupon,

DEAN LeBARON,

called by the plaintiff Bangor Punta Corporation, having been duly sworn by the Notary Public, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. BARRETT:

Q Mr. LeBaron, would you state your name for the record?

A Dean LeBaron.

Q Where do you reside?

A 135 Robin Road, Weston, Massachusetts.

Q And by whom are you employed?

A Batterymarch Financial Management Corporation.

Q What do your duties consist of?

A I am President.

Q What is the nature of the business of that company?

A That is an investment counseling firm.

Q Were you ever employed by Keystone Custodian Funds?

A Yes.

Q In what capacity were you employed?

A Successively as an Analyst, Associate Director of Research, Director of Research and Vice President and Fund Manager.

Q From approximately what period of time until when were you employed?

A Approximately August 1966 to June 1969.

Q During what period were you a Vice President and Fund Manager?

A Approximately the last year of my employment at Keystone.

Q Which would be --?

A Which would be summer, 1968, to June 1969.

Q And when you were Fund Manager, were you the Manager of any particular fund?

A Yes, I was.

Q Of what fund were you manager?

A K II.

Q Could you tell me what the objectives of the K II Funds are?

A Capital appreciation.

Q Does the K II Fund have a formal investment policy?

A Yes, it does.

Q Do you know what that policy is?

A It's stated in the prospectus, I have forgotten the exact langunge, but it is available there. Essentially capital appreciation with some qualifications about moderate risks.

Q Do you recall anything she said about Piper?

A No.

Q During the fall of 1968?

A I do not.

Q Are you acquainted with any of the officers or executives at Chris Craft Industries?

A No, not to my knowledge.

Q Did you ever have any conversations with anyone at Chris Craft during the fall of 1968?

A No.

Q Early 1969?

A No.

Q Do you recall when you first became aware that Chris Craft had an interest in common stock of Piper Aircraft?

A At some point in early January the news was available on the broadtape or in the newspaper. That was my first acquaintance with interests of the Chris Craft in Piper.

Q During the period beginning with your conversation with Mr. Ralff, ending at the time you sold your stock in Piper, do you recall having any other conversations with anyone connected with Mitchell Hutchins?

A No, I do not.

you, I direct your attention to the entry dated January 20, 1969. Does that refresh your recollection about any discussions about a Piper proxy?

A. It does not. I see the entry.

MR. BARRETT: Would you mark that, please.

(BANGOR PUNTA EXHIBIT #106 FOR IDENTIFICATION.)

Q (By Mr. Barrett) I show you Exhibit 106 for Identification, which is a proxy appointing Mr. Siegel, another gentleman, executed by French and Company. I ask you if you have ever seen it before.

A. Not to my knowledge.

Q Do you recall having any conversations with anyone at Keystone Fund or State Street Trust Company about the execution and delivery of that proxy?

A. No, I do not recall.

Q Did you ever have any conversations with any of your fellow employees at or about this time concerning the advisability of the Keystone Funds investing in securities of Chris Craft Industries, Inc.?

A. Not to my memory. I do know from my reading of the files that at this time other funds at Keystone did take a position in Chris Craft. It would have been normal for me to discuss that with other people. But I have no recollection of any specific conversations

nor did I, for K II Fund, do so.

Q Do you recall having any conversations at or about this time with Mr. Greene of the Polaris Fund?

A No, I've no memory.

Q With Mr. Carlson of the S IV Fund?

Q The answer is, I have no memory of my doing so. It would have been normal for me to do that.

Q Normal for you to have such conversations?

A Right.

Q And if they were considering such a purchase, for them to tell you they were considering such a purchase?

A That is correct.

Q Mr. LeBaron, have you ever been questioned to give testimony regarding the sale of Keystone Piper securities in any other proceeding?

A No.

Q Now, Mr. LeBaron, the subpoena that was served upon you requested that you bring with you any documents or diaries and so forth that might have a bearing on this matter we are concerned with. Did you bring anything with you?

A No, I did not.

Q In other words, the production of documents that has been made by Mr. Moore is your production as far as

specific.

Q (By Mr. Auspitz) Do you know if the sale of Piper stock was given to Muriel Siebert because she gave information to Keystone?

MR. BARRETT: I object to the question. It's been asked and answered.

MR. AUSPITZ: If it has been answered, I do not recall whether it's been asked and answered.

MR. BARRETT: My recollection is that I asked it and he answered it. The record will speak for itself.

MR. AUSPITZ: All right.

MR. BARRETT: Mrs. Warshauer?

MRS WARSHAUER: I have no questions.

MR. BARRETT: Mr. Moore?

EXAMINATION BY MR. MOORE:

Q Do you recall your becoming aware of Chris Craft's interest in Piper was before or after you recommended sale of Piper?

A After.

MR. MOORE: Thank you, that's all.

MR. BARRETT: That's all.

Whereupon at 11:50 o'clock a.m., the above deposition concluded.

PLAINTIFF'S EXHIBIT 146

Deposition of ROGER SPENCER,

December 16, 1969

Q Do you know?

MR. CROWELL: You do not have to guess.

A I don't know for sure. I would assume that it was done.

Q Did you ever have any conversation with Mr. Siegel in which you indicated that you had contacted Technology Funds and ascertained that their block of Piper shares were not available for sale across the Exchange?

A I don't remember discussing that with Mr. Siegel.

Q Do you ever remember discussing that with anyone?

MR. CROWELL: Was your question "not available" or "now available"?

MR. RYAN: Not available.

A Would you repeat that question, please?

Q I will rephrase it.

Did you have any conversations with Mr. Siegel or with anyone concerning the fact that the Technology Funds were not willing to sell their block of Piper shares across the New York Stock Exchange?

MR. CROWELL: Do you understand the question?

THE WITNESS: Yes.

A I could have had a conversation like that.

Q Do you recall with whom?

A It would be with Mr. Siegel.

Q And what would be the basis for that conversation? How would that conversation have arisen?

A It would probably have arisen through the mechanism we have for ascertaining in our wire room whether or not blocks are for sale and they would try every large block that was known, public knowledge, and obviously, the answer was no.

Q Well, do you have any recollection at all of discussing this with Mr. Siegel?

A I believe I discussed with Mr. Siegel that through our wire room we checked the major holding of Piper as of just a matter of business.

Q Directing your attention specifically, though, to the Technology Fund's block --

A Yes.

Q -- which was over 100,000 shares --

A Yes.

Q -- do you know whether that was the largest single block of stock around?

A I don't know.

Q Do you recall discussing that specific block of stock with anyone in your firm, concerning whether it was available or not?

A I may have discussed that with Mr. Burns.

Q Other than Mr. Burns?

A He would go into them and I may have discussed it with a Mr. Coleman, who is the institutional salesman who handles Technology Fund.

Q Do you recall any of those discussions?

A Well, it would not be verbatim, but, you know, have these sources been checked.

Q Have Technology Funds been checked? Do you recall anything specific about Technology Fund? Do you have any recollection?

A Since it was in Vickers and everybody had a copy of who owned Piper, I probably said in the course of it, "Has Technology Fund been checked?"

MR. CROWELL: Do you have any recollection?

Q. I am asking you whether you have any recollection of this.

A I would say yes, at some point that was talked about.

Q And now, do you recall whether you mentioned this to Mr. Siegel, and if you do, would you tell us what the substance of that conversation was?

A Well, my discussion with Mr. Siegel would have been after we had gone through our procedure to contact Technology Fund, which is not my function, and I reported to him, or it could have been Mr. Burns who reported to him

that they were not sellers.

Q Do you recall anything else concerning Technology Fund? Did you do anything --

MR. CROWELL: Concerning Technology Fund?

MR. RYAN: I will rephrase it.

Q Did you know any of the officials of the Technology Funds?

A I had met John Hawkinson, I knew Tom Williams, I know a number of the analysts over there that I have met over a period of years.

Q Did you ever have any discussions with any of these gentlemen at the Technology Funds concerning arranging a meeting between the Technology Funds and Chris-Craft to discuss the possible sale of the Piper block?

A A meeting was set up eventually, but the meeting with respect to Mr. Hawkinson was set up by Mr. Coleman, who covers that account for us, and I coordinated that with Mr. Siegel.

Q In other words, Mr. Coleman arranged for Mr. Hawkinson to visit and you arranged for Mr. Siegel to be available?

A Yes.

Q What conversation did you have with Mr. Siegel preceding making this

A Yes.

Q Would it be more than once?

A Yes.

Q Would it have been daily?

A Yes.

Q During these conversations with Mr. Siegel or Mr. Gordon or Mr. Rochlis or anybody else at Chris-Craft, did you ever have any discussions as to what Chris-Craft intended to do in its program of acquiring the Piper shares?

A No.

Q You never made any inquiry as to what their plan was?

A No.

Q Did you know that Chris-Craft in December of 1968 had made a public offering of convertible debentures?

A Yes.

Q Did you have any conversations with Mr. Siegel or anybody else representing Chris-Craft concerning the purpose or objective of Chris-Craft in selling the convertible debentures?

MR. CROWELL: Would you read that back, please.

(The reporter read the pending question.)

A I recall no specific conversations. It was stated

firm would be entitled to any sort of a commission or fee?

A There was zero fee.

Q Was there any conversation concerning that?

A No, no fee.

Q Then or later?

A Right.

Q Was there any conversation over the fact that Technology Funds did not wish to have the transaction go across the Exchange?

A No conversation on that.

Q No discussion on that at all?

A No.

Q Was there any discussion as to what price was paid by Chris-Craft for the Piper shares?

A In our conversation that followed the transaction, I believe the price of 65 was mentioned. $65 cash.

Q Was this price the market price?

A As I recall, it was above the market.

Q When did you first learn that Chris-Craft was going to make a tender offer for Piper securities?

A That same evening. He thought that if this deal went through, all the legal ramifications were cleared up, that they were going to make a tender for more stock.

Q Who is "he," Mr. Siegel?

A It was a series of transactions.

Q And do you know or do you recall or were you ever told when they started commencing the purchasing of the Chris-Craft shares?

A It was subsequent to either the 22nd or 23rd, but I don't know the exact date that they started to buy.

Q It is your recollection it was coincidental with the sale of the Piper shares?

A It was after Mr. Hawkinson had the meeting with Mr. Siegel.

Q Did you ever have any discussions with anyone at Chris-Craft concerning Technology Funds purchasing its shares of stock?

A No.

Q Did you ever advise them that Technology Funds was purchasing shares of stock through your firm?

A No. I mean, we can't disclose who buys stocks.

Q I just asked you whether you did.

A No, I did not.

Q Did you ever discuss with anyone at Technology Funds its buying of Chris-Craft shares during this period of time -- this is the purchases in January --

A This is subsequent --

Q Between January 23, 1969 and February 18, 1969.

MR. SCHLOSSER: I think he testified that he didn't.

MR. RYAN: I am not sure whether I asked him the question.

A Say that again.

Q Between January 23, 1969 and February 18, 1969, did you have any discussions with anyone at Technology Funds concerning its purchases of Chris-Craft shares?

A I had no conversation with respect to their purchasing the shares. I discussed Chris-Craft as an investment, the merits of it as an investment, with one of the analysts over there.

Q Do you recall approximately when that discussion took place?

A Well, approximately it would be after the date they began purchasing the shares.

Q Do you know whether there came a time when Technology Funds began to sell the shares of Chris-Craft that it acquired in early 1969?

A I knew that they were selling the stock.

Q Do you know that they were selling it through your firm?

A Yes.

Q And do you recall how you first learned that

Q Did you ever have any discussions with anyone at Chris-Craft over the fact that Technology Funds was selling Chris-Craft shares?

A No.

Q Did you ever tell anyone at Chris-Craft that Technology Funds was selling Chris-Craft shares?

A No.

Q Did you ever have any discussions with anyone at Technology Funds concerning purchasing shares of Piper Aircraft Company?

A No, I never recommended Piper Aircraft.

Q Did you ever have any discussions with anyone there over the desirability of purchasing Piper Aircraft Company?

A No.

Q Do you know whether Technology Funds in fact did purchase Piper Aircraft Company stock?

MR. SCHLOSSER: Is this at any time?

MR. RYAN: This is subsequent to January 23, 1969. In particular, between late March and late April of 1969.

A Was the question did I know they were buying Piper?

Q Yes.

A No.

PLAINTIFF'S EXHIBIT 147

Deposition of MURIEL SIEBERT,

June 7, 1970

A Yes, I am.

Q By whom are you employed?

A Myself.

Q You are in business for yourself?

A Yes, I am. I am chairman and president of Muriel Siebert & Company, Inc.

Q What is the nature of Muriel Siebert & Company, Inc.?

A We are members of the New York Stock Exchange.

Q How many employees do you have?

A There are six of us all together, including three partners, if you consider my partners as being employees of mine; I don't know.

Q Do your partners handle contacts with your clients?

A Yes. So does one of my -- we all service the same accounts.

Q Have you made a practice of following the stocks of the light aircraft industry?

A Yes, I have.

Q What do you do in connection with following stocks?

A I do research in institutional selling.

Q Are you acquainted with any of the personnel at Chris-Craft Industries, Inc.?

A I have met Mr. Siegel.

Q You met Mr. Siegel?

A Yes.

Q Do you know anyone else at Chris-Craft?

A Possibly by face but not personally.

Q When did you first meet Mr. Siegel?

A About two days -- about one day or two days after the tender was announced.

Q By the "tender," you mean the cash tender for Piper common stock?

A That is correct.

Q That was made in January of 1969?

A If you tell me it was January of 1969; as long as you vouch for that.

Q Prior to that time, had you had any conversations with a representative of Chris-Craft?

A No, I had not.

Q That was your first contact?

A My first contact was afterwards, because I wanted to see what he was going to do with Piper. I had clients in Piper stock.

MR. BARRETT: Would you read back the answer, please.

(The record was read by the reporter.)

A Not to my knowledge.

Q Do you know a Mr. Hawling?

A Yes.

Q I direct your attention to the period September 1, 1968 through December 30, 1968.

A You are saying September 1, 1968 through --

Q Through December 30, 1968.

Did you have any conversations with anyone at Mitchell, Hutchins during that period, regarding Piper?

A Not to my knowledge.

Q Might you have had such a conversation?

MRS. WARSHAUER: I think that calls for speculation on the part of the witness.

A Henry might have called me for an opinion on a stock, if I liked the stock or not. He maybe calls me once or twice a year on all kinds of stocks.

We both do business with one account.

Q What is the account that you do business with?

A Madison Fund. I met him through Madison Fund.

Q When did you make his acquaintance?

A Maybe five years ago, maybe ten years ago.

Q Do you recall if Mr. Hawling asked you

Q What does Exhibit 91 indicate to you?

MR. AUSPITZ: Objection; the exhibit speaks for itself.

A We sold 34,200 shares of Piper Aircraft at 54.

Q Does that indicate to you that there was an order for that number of shares to sell?

A That is a sell order.

Q Does that refresh your recollection that Madison Fund asked you to sell that much stock?

A Yes, it does. Obviously. It speaks for itself.

Q Did you make any efforts at that time to determine who the purchaser of that block of stock was?

A No. If I get a sell order, I probably call every institution I know and offer them a block of stock, and if they take it, fine; if not, we put it on the floor.

Q Do you recall calling other institutions at that time and asking them if they would be interested in purchasing Madison's block?

A Purchasing a block, I probably did.

Q Do you recall if you did?

A No, but that size, I would do it.

Q Do you have any records that would indicate

whether or not you did?

A No, we don't keep those.

Q At or about this time, did anyone approach you and ask you whether you knew of the identity of any other institutional holders of Piper?

A Not to my knowledge. Definitely not.

Q Did you execute an order on behalf of Chemical Bank New York Trust Company for the sale of 10,000 shares of Piper on January 6, 1969?

A You have the tickets. Tell me.

MR. BARRETT: Would you mark these for identification.

(Photostatic copy of a sell order was marked Bangor Punta Exhibit 92 for identification, as of this date.)

Q I show you Exhibit 92 for identification, and I ask you if it refreshes your recollection that you executed an order for Chemical Bank.

A Yes, indeed. It is not my handwriting, but it looks like we did.

Q Let me show you Exhibit Burns 2 for identification, which has been subsequently renumbered. This is a Mitchell, Hutchins order ticket, and I direct your attention to the notation "34,200 STL" at the bottom

of the order ticket, and the date is January 3, 1969.

Does that refresh your recollection that Mitchell, Hutchins was the broker on the other hand?

A They may have been, unless Stern, Lauer handled it.

Q Your records do not indicate another block that size?

A Then they were the broker on the other side.

Q Do you recall any conversations with anyone at Mitchell, Hutchins about that order?

A No.

Q Did you make any effort to contact Mitchell, Hutchins to determine who their purchaser was?

A That is not legitimate.

Q Didn't it occur to you that their purchaser might want to purchase some more stock?

MR. AUSPITZ: Objection.

A No.

Q You made no effort to determine whether you could sell additional stocks?

MR. AUSPITZ: Objection.

A If I thought there was a buyer, I would be running around the country trying to find him.

Q You previously testified that your firm

Q Wouldn't it have been of interest to Chemical that some other large institution was selling at that time?

A Maybe; maybe not.

Q On January 8, did you execute an order on behalf of Keystone, K-2 Funds for the sale of 30,800 shares of Piper stock?

A It sort of looks like I did.

Q You are looking at Exhibit 92?

A Yes.

Q Do you recall how this transaction came about?

A Well, it looks like they wanted to sell some stock and possibly there was a buyer and I told them there was a buyer.

Q Do you recall advising Keystone that there was a buyer for its stock?

A I cannot recall who initiated it.

Q Do you recall whether Keystone called you and told you it would like to dispose of its stock?

MR. AUSPITZ: Objection.

A I can't tell you. Hey, you better change that. We did not do 30,800. We did 20,000 -- all right, we did it; it says 20 and 10.

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been selling.

Q When did you first become aware that Chris-Craft had any interest in acquiring the common stock of Piper Aircraft Corporation?

A After the tender was announced.

Q How did you become aware of it?

A It came over the broad tape. Either the broad tape or the newspaper.

Q What did you do when you received this information?

A Called my clients.

Q Do you recall whom you called?

A Whomever had stock left.

Q Do you recall who any of these accounts were?

A You have got the records, I guess, as to who had stock left.

Q Miss Siebert, Mr. Steinberg produced some of your documents in response to our subpoena, but he did not produce anything that indicated anyone had anything to do --

A I go to Vickers which lists the institutional holdings, and those people whom I sold the stock for, I cross out in pencil and those that were left, I

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at Technology Fund during January 1969?

A When was the tender offer announced?

Q January 23rd.

A Yes, I did.

Q Do you recall with whom you had a conversation at Technology Fund?

A Tom Williams.

Q Do you recall what you said to him and what he said to you?

A I called him after the tender offer was announced and he told me it was of no interest to him.

Q Did he tell you why?

A That meant to me he sold his stock. He said, "We are out."

Q Do you recall whether you had any conversation with anyone at American Investors regarding Chris-Craft's tender offer?

A If they still had stock, I sure did.

Q Did you ever make an investigation of Chris-Craft?

A No.

Q Did you ever recommend Chris-Craft to any of your customers?

A No.

PLAINTIFF'S EXHIBIT 148

IN THE UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF NEW YORK

CHRIS-CRAFT INDUSTRIES	:	CIVIL ACTION
v.	:	
PIPER AIRCRAFT CORPORATION, et al	:	NO. 69-2226

BANGOR PUNTA CORPORATION	:	CIVIL ACTION
v.	:	
CHRIS-CRAFT INDUSTRIES, INC., et al	:	NO. 69-2354

Philadelphia, Pa., March 31, 1970

ORAL DEPOSITION OF ROBERT H. POTTS

Paul J. McGowan
and
George H. Lennox, Jr.
Official Court Reporters
Room 3054 - U. S. Courthouse
Philadelphia, Pa., 19107
WAlnut 5-9480

IN THE UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF NEW YORK

CHRIS-CRAFT INDUSTRIES	:	CIVIL ACTION
v.	:	
PIPER AIRCRAFT CORPORATION, et al	:	NO. 69-2325

BANGOR PUNTA CORPORATION	:	CIVIL ACTION
v.	:	
CHRIS-CRAFT INDUSTRIES, INC., et al	:	NO. 69-2354

Deposition of Robert H. Potts, taken on behalf of Bangor Punta Corporation, before Paul J. McGowan and George H. Lennox, Jr., Notaries Public-Stenotype Reporters, at the offices of Duane, Morris & Heckscher, 1617 Land Title Building, Broad and Sansom Streets, Philadelphia, Pennsylvania, on Tuesday, March 31, 1970, commencing at approximately 10:30 A.M.

APPEARANCES:

PAUL, WEISS, GOLDBERG, RIFKIND, WHARTON & GARRISON
By ALAN L. SCHLOSSER, ESQ.,
For Chris-Craft Industries.

CHADBOURNE, PARKE, WHITESIDE & WOLFF
By IRENE WARSHAUER, ESQ.,
For Piper Aircraft Corporation and certain individual defendants.

APPEARANCES:

WEBSTER SHEFFIELD FLEISCHMANN HITCHCOCK
& BROOKFIELD
WILLIAM L. D. BARRETT, ESQ.
HARVEY D. MYERSON, ESQ.
For BANGOR PUNTA CORPORATION

(It is stipulated by and between counsel for the respective parties that signing, sealing, certification and filing are waived, and that all objections, except as to the form of the questions, are reserved to the time of trial.)

ROBERT H. TOTTS, having been duly sworn, was examined and testified as follows:

BY MR. BARNETT:

Q. Mr. Pottu, where do you reside?

A. I reside at 160 Meadley, Wayne, Pennsylvania. Actually it's Strafford-Wayne. Wayne for post office box purposes.

Q. I see. Are you employed by the Philadelphia National Bank?

A. I am.

Q. In what capacity are you employed?

A. I am executive vice president.

Q. Do you hold any other positions with the bank? Are you a director?

A. I am not.

Q. How long have you been employed by the bank?

A. I have been employed by the bank for 21 years.

Q. What other positions have you held in the last five years?

A. I have been executive vice president for the last five years.

Q. I see. Are you a member of the executive committee?

A. I am not.

Q. You are not. Mr. Potts, are you acquainted with Mr. Herbert Siegel?

A. I am.

Q. When did you first meet Mr. Siegel?

A. I would estimate that we met in the late 1950s. '58, '59.

Q. How did you become acquainted with Mr. Siegel?

A. We became acquainted at the time that he was considering the acquisition of a brewery, and the introduction was arranged by a mutual business acquaintance, and we met in his office at that time at 121 South Broad.

Q. I see. Did you meet him in your capacity as an officer of the bank at that time?

A. I did.

Q. Did the bank perform any function for Mr. Siegel in connection with this brewery?

A. We did not.

Q. What was the purpose of the meeting?

A. To explore the possibility of doing business with him.

Q. I see.

A. We subsequently did business, but we did not at that time.

Q. When was the first time that the bank did business with Mr. Siegel or any of his corporations?

A. Oh, I would say we did business with Mr. Siegel when he ultimately acquired to secure a brewery named Centlivre Brewing Company.

Q. Approximately when did this take place?

A. This would have been in the early 1950's.

Q. I see. What sort of business did you do with Mr. Siegel in connection with this brewery?

A. At that time we made loans to Centlivre Brewing and we also have made, from time to time, loans to him individually.

Q. I see. Putting aside for a moment any loans that you may have made to Mr. Siegel personally, what was the general purpose of the loans that you made to Centlivre Brewing?

A. At the time we made loans to Centlivre Brewing Company, it was to enable them to purchase stock in the Baldwin Rubber Company.

Q. I see. Did Centlivre Brewing Company ultimately purchase stock in the Baldwin Rubber Company?

A. Yes, sir.

Q. If you recall, approximately how much was involved in this particular loan?

A. Upwards of a million dollars.

Q. I see. Has this loan been repaid?

A. Yes, sir.

Q. Approximately how long was it outstanding?

A. Less than a year.

Q. I see. After this transaction, Mr. Potts, when was the next time that the bank had dealings with Mr. Siegel or any of his corporations?

A. Subsequently Conildyne was merged into Baldwin Rubber Company. Then Baldwin Rubber Company merged with Montrose Chemical Company.

Q. Yes. Do you recall approximately when this took place?

A. I have a hard time recalling when all of my children were born. I don't know if that's pertinent.

I would say 1968.

Q. What was the nature of the business that the bank did with the corporation at that time?

A. At that time the bank provided escrow services and turn around financing.

Q. What is the nature of the turn around financing?

A. At the time that Baldwin acquired Montrose, Montrose was in a strong cash position, and the bank advanced funds to provide for the purchase of stock from stockholders of Montrose, and then when the merger was effected, portions of those funds were used to repay the bank loan.

Q. Portions of Montrose funds were used?

A. This is correct. The loan was made to Baldwin.

Q. Mr. Potts, in this transaction and the others that we have talked about, were these handled by you directly or someone else under your supervision?

A. These were handled by me.

Q. I see. Now, after the Montrose transaction, when was the next time that the bank did business with Mr. Siegel or any of his corporations?

A. We have been doing business, as I mentioned to you earlier, on an ongoing basis.

Q. Well, were you, during this time, providing other banking services besides loans? For example, checking accounts and so forth?

A. Yes, indeed.

Q. Well, when was the next loan transaction after the Montrose loan?

A. We made loans for the Baldwin-Montrose Chemical Company in order for them to acquire stock of the Warner Company, Warner Brothers.

Q. Approximately when did that take place?

A. This would have taken place approximately the summer of 1967 as I recall.

I don't know if it is pertinent. I have done no homework for this by design.

Q. That is perfectly all right. I understand perfectly.

Have you discussed the fact that you were going to have this deposition with anyone before taking it?

A. Yes. Briefly with our house counsel, Joseph Gordon, because the correspondence was handled through him.

Q. I see.

A. And also with Mr. Alan Schlosser here.

Q. You did discuss it with Mr. Schlosser?

A. Yes; at his behest.

Q. Could you tell me approximately how long you talked to Mr. Schlosser?

A. Twenty-five minutes, 30 minutes.

Q. Approximately when did you talk to Mr. Schlosser, Mr. Potts?

A. Eight weeks ago.

Q. I see. And you have had no discussions with Mr. Schlosser or anyone else from the Paul, Weiss firm since that time?

A. No, sir.

Q. Did you discuss the substance of this case with Mr. Schlosser?

A. Yes.

Q. Approximately how much was involved in the Warner Brothers loan with you have discussed?

A. In excess of $2,000,000.

Q. Was this loan repaid, Mr. Pettit?

A. Yes, sir.

Q. Approximately when?

A. 1968.

Q. 1968. Do you have any recollection as when in 1968?

A. The latter part.

I might add: At this time or actually going back to the time, I was in a transition of moving out of the active handling or management of this relationship.

Q. I see.

A. Unless or until it came to a credit decision.

Q. I see.

A. But as far as the details, the following, the handling of all the mechanics, this was done by someone else.

Q. I see. Well, approximately when did this transition period take place?

A. This transition has been taking --

Q. If there was any.

A. It has been taking place over a period of four, five years.

Q. I see. It would be your position that sometime after 1968 you were somewhat less involved with the mechanics of these individual loans than you had been previously?

A. I would say the transition would have begun as far back as 1965.

Q. I see. In other words, I asked you previously if you had handled the loan on the Continuum ---

A. Yes.

Q. -- situation.

A. And I answered affirmatively.

Q. And you answered yes. Now, was your role of a lesser extent in the Warner Brothers loan or was it approximately the same extent?

A. It's to a lesser extent with regard to the mechanics and the handling of the details and correspondence and attending settlements.

Q. Who actually handled these details which you previously would have handled?

A. This would have been handled by a number of persons.

Q. Who actually handled it on Warners?

A. It could have been Andrew Porter followed by Frederick Miller, followed currently by Mond Geisel.

Q. Mr. Potts, after the bank made the loan to Baldwin-Montrose in connection with Warner Brothers, when was the next time that you were approached with a view to making a loan by Baldwin-Montrose or its successors?

A. This would have been in late 1968.

Q. All right. Let me go back a bit.

Did the bank perform any services for Baldwin-Montrose in connection with the Chris-Craft acquisition?

A. Yes, sir.

Q. What services were performed?

A. The bank at that time -- I have got a void in here -- would have also had worked with Chris-Craft in helping them to acquire -- excuse me. Worked with Baldwin-Montrose in helping it to acquire Chris-Craft.

Q. Would it have provided funds for the acquisition?

A. Yes, it would have.

Q. Do you recall actually how much was involved in that?

A. This would have been four, five million dollars as I recall. I wouldn't want to be held specifically to that.

Q. It is your best recollection that it was approximately four, five million dollars?

A. Yes.

Q. And was this another turn around situation similar to the Montrose situation?

A. No.

In this particular situation, see, once the merger was effected and it was ultimately effected, Chris-Craft sold I think it was $25, $26 million dollars of debentures.

Q. That was sometime later?

A. Yes. But the proceeds of these were used to repay obligations.

Q. I see. Then the borrowings incurred in connection with the Chris-Craft acquisition had been repaid?

A. Yes, sir.

Q. Mr. Potts, during the period that we have been discussing, let us say from May, 1968 when the [illegible] Company was merged into Chris-Craft, as I understand it, can you tell me all of the services that the Philadelphia National Bank performed for the merged company, including loans and so forth.

A. We were providing corporate trust services which you will find listed in the annual report.

Q. You were transfer agent for its common stock?

A. Yes.

Q. And transfer agent for any of its other securities?

A. No, no. I believe the balance of the securities was handled by Chase Manhattan.

Q. I see. What other services did you perform? I believe you testified previously that Chris-Craft had maintained a checking account?

A. Indeed. Well, they continue to maintain a checking account, that goes without saying. That would have been done all the way through in this transaction.

Q. I realize it goes without saying, but I would like to have you say it on the record so we can get all these things straight.

A. All right.

Q. Do you know that that is Chris-Craft's principal checking account or do you know?

A. It is my strong impression that it is Chris-Craft's principal checking account.

Q. Do you provide custodian services for Chris-Craft?

A. We have provided some custodian services for Chris-Craft.

Q. In other words, this is an off and on situation, it is not a continuing situation?

A. Yes, it is a continuing situation. We don't provide all of the custodial services for Chris-Craft.

Q. In other words, they have some property in the custody of other banks?

A. Yes, sir.

Q. Mr. Potts, do you recall making a telephone call to Mr. Siegel approximately the middle of July, 1968?

A. No.

MR. BARRETT: You don't.

Would you mark this for identification.

(Photostatic copy of a memorandum of Chris-Craft

Indentation with the initials B.H.P. at the bottom was marked Exhibit 70 for identification.)

BY MR. BARRETT:

Q. Mr. Potts, I show you Exhibit 70 for identification and ask you if that refreshes your recollection as to whether you called Mr. Siegel on or approximately July 19.

(Witness examining exhibit.)

A. I remember it very well.

Q. Can you tell us what was the occasion of your telephone call, Mr. Potts?

A. I believe this is stated in the first sentence:

"Not having talked with Herb Siegel for some time, I called him this afternoon and he brought me up to date on their activities."

Q. In other words, you just noted that you had not heard from Mr. Siegel for sometime, and out of the blue you called him?

A. That is correct.

Q. Do you recall whether Mr. Siegel mentioned to you any interest he might have in financing at that time?

A. I really don't.

Q. O.K. Would this have been something that you would have discussed with him at that time?

MR. SCHLOSSER: I object to the form of the

question.

MR. BARNETT: What is the ground for your objection?

MR. SCHLOSSER: It is leading.

MR. BARNETT: You can answer the question.

THE WITNESS: What is the question again?

BY MR. BARNETT:

Q. The question is: Is this something that you would have discussed with him? In other words, you called him not having talked to him for a while.

A. For him individually or for Chris-Craft?

Q. Well, for Chris-Craft.

A. I would have to answer that yes.

Q. Do you recall what you said to him?

A. I do not.

Q. Do you recall generally what you said to him?

A. Whatever I would have said to him is covered in the memo.

Q. I see. Do you recall what he said to you?

A. Really it is stated in the memo and as I refreshed my memory here now.

Q. Is it your practice, Mr. Potts, to make a memorandum whenever you have a telephone call of this sort?

A. Not always.

Q. How do you decide whether or not to make a memorandum of a telephone call?

A. Whether or not it is germane or relevant to the relationship or to the transactions we are having with them, and I would say in the last few years on occasions I would with Mr. Siegel and others with whom I had formerly had the primary relationships for our bank.

Q. I see.

A. I will, for public relations purposes, call.

Q. I see.

A. And I will not necessarily record a memo.

Q. At this time -- we are talking now about the midsummer of 1968 -- would you have anticipated that business from Chris-Craft would have come to you rather than to someone else at the bank?

A. To me individually?

Q. Yes. I mean if.

A. It depends on the nature of the business.

Q. Suppose it was financing. Would that have normally have come to you?

A. It could either start with the then primary contact man, Fred Miller, or it could start with me, either one.

Q. I see.

A. In each relationship we have we try to have a minimum

of the people, sometimes more.

Q. I see. But if Mr. Miller had been contacted by Chris-Craft about a financing, he would, in the course of his duties, have reported this conversation to you?

A. Yes, he would have.

Q. Did you discuss your conversation with Mr. Siegel with Mr. Miller?

A. I believe Mr. Miller's initials F.H.M. are at the bottom of this memorandum. Whether or not we --

Q. You are referring to these initials here (indicating)?

A. I am.

Q. Mr. Potts, could you tell me what there is in this conversation that you considered to be relevant, germane to the bank relationship such as you would have made the memo of it?

A. Paragraph No. 1, the very fact that Herbert Siegel expressed a belief that a combination of Chris-Craft with Warner Brothers would be beneficial is of interest to us.

Q. Was the Warner Brothers loan outstanding at that time; do you know?

A. I really don't recall.

Q. Do you have any record at the bank which would indicate whether it was outstanding or not?

A. I can give you complete records of all of the loan

transactions which will show that I have been off base on a number of statements which I have made.

Q. Would you make arrangements to furnish us with that material.

A. Haven't you been furnished with this material?

Q. Not that sort of material. Obviously we have been furnished with this document (indicating), but we have not been furnished with anything about the prior loan transactions.

A. It's perfectly all right with me, but is this something you are entitled to?

MR. MYERSON: Mr. Potts, I suggest we would like the documents, and if you have any question as to the propriety, why don't you check with your house counsel, and you can then inform us.

THE WITNESS: You won't get the documents; you will get copies.

MR. MYERSON: Fine.

MR. BARRETT: Of course.

THE WITNESS: If you get any, I will be guided by counsel's advice.

MR. BARRETT: That is perfectly acceptable, Mr. Potts.

THE WITNESS: You want this for how far back?

MR. BARRETT: Well, I should like to know the

amounts and dates of the loans that you have referred to in your testimony.

THE WITNESS: All right.

MR. BARRETT: And when they were repaid and so forth.

Incidentally, Mr. Potts, I would like also to have, in connection with these loans, any documents that relate to them. If there is any other correspondence, so forth, that bears upon them.

THE WITNESS: As you wish. On or off the record --

MR. BARRETT: We are on the record.

THE WITNESS: Weren't these gentlemen furnished with this material?

MR. SCHLOSSER: I don't know.

BY MR. BARRETT:

Q. Mr. Potts, do you know if Mr. Schlosser or some other member of the Paul, Weiss firm has been through these documents and selected the ones that we were furnished?

A. I don't know if there is any selection of documents which were furnished to you.

Q. Did they take primary responsibility of assembling them for the production?

A. Do they?

Q. Did they?

A. No.

Q. That you know of?

A. No, not that I know of.

Q. Who furnished the documents that were sent to us?

A. I didn't.

Q. They came from Mr. Gordon?

A. Then he would have.

Q. I see. Do you know if he discussed these documents with the Paul, Weiss firm in advance of the production?

A. I do not know.

Q. Mr. Potts, do you recall having a telephone conversation with Mr. Siegel on approximately September 18, 1968?

A. I wouldn't recall any conversation I would have had with Mr. Siegel specifically unless I refreshed myself by looking at memos.

Q. You have no independent recollection of it?

A. I do not.

MR. BARRETT: Would you mark this one, please?

(Photostatic copy of a three-page document headed Chris-Craft Industries, Inc. was marked Exhibit 71 for identification.)

BY MR. BARRETT:

Q. I show you Exhibit 71 for identification, Mr. Potts, and ask you if it refreshes your recollection about a telephone

conversation on approximately September 18, 1968?

(Witness examining exhibit.)

A. O.K.

Q. Have you read the first paragraph on the first page, Mr. Potts?

A. Very quickly.

Q. Do you recall at that conversation Mr. Siegel discussed Chris-Craft's financial needs with you in general terms?

A. Chris-Craft's financial needs at that time would not have been too great, if you will notice the total deposits they were carrying with us at that time.

Q. You have made a notation here which I take it you made after referring to some record contemporaneous with the memo that there were $8,300,000 in time deposits.

A. Correct.

MR. MYERSON: Would you read back the question, Mr. Reporter.

(The reporter read the previous question back as follows:)

"Q. Do you recall at that conversation Mr. Siegel discuss Chris-Craft's financial needs with you in general terms?"

THE WITNESS: You may be referring to the boats financing which we discussed, which is not direct Chris-Craft

financing but I believe the financing of their dealers.

BY MR. BARRETT:

Q. I see, I see. In other words, your testimony is that you did not discuss financing for Chris-Craft?

A. I did not so testify.

Q. Perhaps I misunderstood you.

Would you read the question again, Mr. Reporter.

A. My answer is if you judge from the balances it would not have been necessary, and --

Q. My question was: Did you discuss it, not whether it was necessary.

A. I don't know.

Q. I am not quibbling with you. I am just trying to get the record straight.

A. I don't recall.

Q. You do not recall?

A. I do not recall. I would have discussed with him at any time anything that is pertinent to the relationship.

Q. Yes. But it's the sort of a thing that you would have discussed with similar --

A. Had there been cause to discuss it, but under the circumstances at that time there would not have been great cause.

Q. Now, did Mr. Siegel mention to you that Chris-Craft might be interested in your assisting them with approximately

$15,000,000 for floor planning of boats?

A. $15,000,000 for floor planning of boats? As I recall, it was our guess that the amount of financing required would not come close to approaching $15,000,000 for the financing of the boats carried by their dealers.

Q. What is the meaning, Mr. Potts, of the sentence in your memorandum:

"He stated -- 'he' being Mr. Siegel -- estimated that their an volume of floor planning would be around $15,000,000".

A. They, at that time, had relationships with other dealers, and it wasn't contemplated that we, the Philadelphia National Bank, would be providing all of the financing. What financing we required would be provided in conjunction with the banks then financing their dealers.

Q. I see. Approximately how much did he anticipate you would be providing if you were to go forward with this sort of transaction?

A. Well, there was quite a range here, and as I recall the best estimates by the people in our bank who looked into this, Bill Miskie and Manny Satterfield, would be in the area of $3, $4,000,000.

Q. $3 to $4,000,000?

Would you read that answer back, please?

(The reporter read the previous answer back as follows:)

"A. Well, there was quite a range here, and as I recall the best estimates by the people in our bank who looked into this, Bill Rishkie and Henry Satterfield, would be in the area of $3, $4,000,000."

BY MR. BARNETT:

Q. Did Mr. Siegel mention anything in this conversation about the Harley-Davidson acquisition?

A. He may have.

Q. Do you recall whether he did or not?

A. I do not.

Q. Did he at anytime ask the bank to provide any financing in connection with Harley-Davidson acquisition?

A. No, sir.

Q. He did not.

A. Not as I recall.

Q. Do you recall that he did or do you simply not recall at all?

A. I said not that I recall.

Q. Do you mean by that that you don't recall that he did or you don't recall anything one way or the other?

A. I don't recall that he did suggest the need for financing of the Harley-Davidson acquisition.

Q. Thank you.

Did he mention to you in this conversation that Chris-Craft was contemplating selling $25,000,000 of convertible support debentures?

A. He may have.

Q. I ask you to read Exhibit 71 and I ask you if that refreshes your recollection.

(Witness examines exhibit.)

A. Indeed it does. He indicated that they planned to sell $25,000,000 of convertible debentures on a rights offering basis.

Q. Did he indicate to you what the purpose of that financing was to be?

A. For acquisitions.

Q. That was for acquisitions?

A. Yes, sir.

Q. Did he tell you that a portion of that financing was going to be used to repay the then outstanding loan in connection with the Chris-Craft acquisitions?

A. If there was a loan outstanding at that time, definitely a portion of it would have been used.

Q. I see. But you are not sure whether that loan was outstanding at that time?

A. I don't think it was, because they would not have

carried the ed's.

Q. I see. Do you recall incidentally, Mr. Potts, if the loan in connection with the Chris-Craft acquisition was a demand loan?

A. I believe it was.

Q. Did Mr. Siegel tell you what sort of acquisitions he was contemplating at that time?

A. He may well have, and if I were to hazard a guess at that time, showing great interest in leisure time.

Q. What sort of leisure time? What sort of industries in the leisure time area did Mr. Siegel discuss with you?

A. It would be pure guessing on my part.

Q. I would be interested to hear what your guess was.

A. Broad spectrum.

Q. I see. But you don't recall any area or groups?

A. I do not recall any specific area.

Q. Do you recall that Mr. Siegel said that Chris-Craft would sell at approximately the same time as the debentures $35,000,000 worth of common stock?

A. Yes, I do, having refreshed my memory.

Q. Was the purpose of that financing also for acquisitions?

A. My understanding is such.

Q. Mr. Potts, having had your recollection refreshed that Mr. Siegel indicated that he would be interested in some

acquisitions, do you have any idea of the types of acquisitions he had in mind?

MR. SCHLOSSER: Objection.

MR. BARRETT: What is the ground of your objection?

MR. SCHLOSSER: It is irrelevant, his idea of what Mr. Siegel had in his mind.

MR. BARRETT: He is testifying to the conversation he had with Mr. Siegel.

MR. SCHLOSSER: Then ask him what Mr. Siegel said.

MR. MYERSON: Mr. Schlosser, if you will allow us to ask the questions, you may ask any questions you wish after we are finished.

MR. SCHLOSSER: If you will allow me to make my objections.

MR. BARRETT: You have made it, and it is noted as of record.

MR. SCHLOSSER: O.K. And I will continue to make them. He asked me for the ground, and I told him.

THE WITNESS: I really can't recall.

MR. BARRETT: You can't recall.

THE WITNESS: I am unable to recall.

BY MR. BARRETT:

Q. Was Mr. Lee Iacocca mentioned in that conversation?

A. I believe that's so stated in the memo.

Q. Do you recall that Mr. Siegel told you that Mr. Iacocca was not going to join Chris-Craft but was going to stay with Ford?

A. I do.

Q. Now, after your conversation with Mr. Siegel on September 18, did you do anything to follow-up the matters discussed, Mr. Potts?

A. What I would have done there would have been to contact the Messrs. Riskie and Satterfield in connection with the dealer financing, and I think the memos may bear out that we did make a survey and study, actually visited with some of the dealers to see what sort of a program we might work out in conjunction with the dealers own banks.

Q. I see. Now, did you arrange to have any representatives of the bank go to Chris-Craft's headquarters in Florida to discuss these matters?

A. Yes. It is better to qualify this and say that Fred Miller and I did, because at this time Mr. Fred Miller was the one who really was spending most of his time and effort in this.

Q. Then after your conversation with Mr. Siegel on

September 10, I take it you reported the substance of your conversation to Mr. Miller?

A. Invariably.

Q. Would you have instructed Mr. Miller to follow-up on this?

A. Yes.

Q. And in connection with following up, he would have arranged this meeting in Florida and so forth?

A. Chances are he could be traveling. If he were there I would ask him to do it. If he were not there, I would take the necessary steps to set the program in motion.

Q. Did you subsequently go to Florida yourself on this matter, Mr. Potts?

A. In late 1968 Fred Miller and I went to Florida -- I can't give you precise date -- and visited with Herbert Siegel, Jim Richlis, and during that visit we went through the Pompano plant, and we also discussed the matter of dealer financing.

Q. What was the reason for your trip to Florida; if you recall?

A. The reason for the trip to Florida was to see the Pompano plant of Chris-Craft, to meet first-hand the management of the boat division, and to discuss their financing needs in connection with the sale of their products for their spring season.

Q. Who suggested that you go to Florida? Was it your idea or did someone at Chris-Craft suggest it?

A. Oh, I think it was Herb Siegel's suggestion.

Q. Do you recall, aside from dealer financing and the general operations of their boat business, what was discussed down there? Did you meet with Mr. Siegel? Was he there?

A. Yes, indeed he was there.

We discussed really every conceivable -- everything we could think of relating to the manufacture of boats and to the entire Chris-Craft operation and all of its holdings.

Q. Did Mr. Siegel discuss acquisitions with you at that meeting?

A. If he had any in mind, I am sure he did.

Q. Do you recall anything that he said about acquisitions at that meeting?

A. I do not, not without refreshing my memory and whatever might be in the memorandums.

Q. You have no recollection of the substance of any conversation?

A. I have recollection of the substance of a great many conversations while we were there.

Q. I mean relating to acquisitions. Excuse me.

A. Not without refreshing my memory.

Q. During this period, Mr. Potts, I am talking about the

time from the September 18 telephone call through say the first of December, 1968, do you know if Mr. Miller had any meetings with Chris-Craft at which you were not present?

A. I would have to guess. I would say yes, because Mr. Miller was handling the bulk of the calling in New York.

Q. I see. Do you know if Mr. Miller had any telephone conversations with officers of Chris-Craft during that period?

A. Again I would have to guess yes.

Q. During that period did anyone at Chris-Craft speak to you about financing other than with respect to the dealer arrangement that we have discussed?

A. During what period?

Q. During the period from the September 18 telephone call through about the first of December.

A. I would believe so.

For the record, Mr. Reporter, I would say that --

Q. You wish to add something to your answer?

A. May I?

Q. Certainly.

A. In virtually all conversations held with Herbert Siegel in recent years, the question of financing or possible financing has arisen.

Q. Do you recall anything specific about what Mr. Siegel may have told you during this period?

A. No, not without checking the file.

Q. Do you recall the amounts that Mr. Siegel might have discussed?

A. I do not.

Q. Had the bank ever lent money, prior to this time, to Chris-Craft for the purpose of financing inventories, so forth?

A. No, sir.

Q. All of these loans were in connection with acquisitions, previous loans that you testified to?

A. Yes, sir.

Q. Mr. Potts, when was the first discussion that you had with Mr. Siegel or anyone else at Chris-Craft concerning the loan which was in fact made approximately February 3, 1969?

A. Subject to being corrected by memorandums, I would say November or December of 1968.

Q. I see. Do you recall how you became aware that Chris-Craft was interested in making a loan?

A. Do I recall how I became aware?

Q. Yes.

A. Word of mouth.

Q. Who would have told you about this? Mr. Siegel?

A. Yes.

Q. Do you recall what Mr. Siegel said to you about this loan?

A. Not specifically.

Q. Do you recall that he mentioned the amount, $15,000,000?

A. I don't mean to be flippant. He would have had to in order for us to arrive at that figure.

Q. Presumably at sometime or another the $15,000,000 was discussed?

A. Yes.

Q. Is it your recollection that $15,000,000 was discussed at the very first conversation about this loan?

A. No, it is not my recollection. I couldn't say one way or another.

It seems to me that that may not have been the amount initially discussed.

Q. Did Mr. Siegel tell you what he needed the money for?

A. Of course.

Q. What did he need it for?

A. He needed it for the purchase of Piper stock.

Q. I see.

A. The word "need" there has a double entendre as far as I am concerned. He requested it for that.

Q. He requested it. I see.

Mr. Potts, were you aware that Chris-Craft had any debt restrictions concerning bank borrowings during the fall of 1968?

A. I would say we became aware of debt restrictions at the time we began discussions for a possible loan by the

Philadelphia National Bank.

Q. Do you know what happened to these debt restrictions?

A. Yes.

Q. What happened to them?

A. The debt restrictions as they exist or existed were reviewed with their three long-term lenders.

Q. What was the result of these discussions with the long-term lenders; if you know?

A. Well, the result of the discussions was that our loan was made.

Q. Do you know if the long-term lenders took any action with respect to the debt instruments and the restrictions on bank borrowings?

A. They approved the loan which was made by the Philadelphia National Bank.

MR. BARRETT: Would you mark this for identification, please.

(Photostatic copy of a two-page letter to Lenders dated October 27, 1968 was marked Exhibit 72 for identification.)

BY MR. BARRETT:

Q. Mr. Potts, I show you Exhibit 72 and I ask you if you have ever seen it before?

(Witness examining exhibit.)

A. I don't see my initials on here. I certainly had access to it or, if I didn't see it, I was briefed.

Q. Yes. Someone would have told you the substance of this document?

A. Yes.

Q. This document is a letter, amendment to the note purchase agreement dated December 20, 1965 of Chris-Craft, and paragraph b of the letter provides that unsecured current debt for bank loans in an aggregate amount not exceeding $15,000,000 is to be permitted.

Now, do you know if this was submitted to the Lenders in connection with the loan which was eventually made by your bank?

A. I would strongly conclude that.

Q. Mr. Potts, did there come a time when you became aware of Chris-Craft's interest in Piper Aircraft Corporation?

A. Yes, sir.

Q. Approximately when would that be; do you recall?

A. I believe I may have indicated earlier either November or December of 1968.

Q. How did you become aware of Chris-Craft's interest?

A. Herbert Siegel would have told me or Fred Miller.

Q. I see. Do you recall what Mr. Siegel told you about Piper?

A. Oh, I think he would have told me that he thought that this would be a desirable acquisition for Chris-Craft in its plans to move into the leisure time field.

Q. Did Mr. Siegel tell you how he proposed to go about making the acquisition?

A. I am sure he did, but I don't recall the specific details.

Q. Do you recall anything in general about what he said to you about how he proposed to proceed?

A. No, not really. It would have to be a guess, because there is a sameness to conversations that you have with a myriad of customers on the subject of financing in commercial banking.

Q. But you have testified that you provided financing for Mr. Siegel in connection with previous acquisitions?

A. Yes, sir.

Q. Did he indicate to you that he was going to proceed along similar lines or --

A. I wouldn't say that he would have so indicated. I am thinking out loud. I am not sure the lines were always similar.

Q. Did you report your conversations about Mr. Siegel's interest in Piper to anyone at the bank?

A. Oh, yes, I would have.

Q. With whom would you have discussed this?

A. Well, I would have discussed this in detail with Mr. Miller, and at the time that we made a decision to provide this financing it would have been reviewed with our senior loan committee in detail for their approval, and then with their recommendation it would have gone to our executive committee.

Q. I see. Who were the members of the senior loan committee, Mr. Potts, or who were the members at that time?

A. You want the names?

Q. Yes, please.

A. The members are John McDowell, G. Morris Dowrence. I will give you initials.

J. T. Ligget, S. B. Vrooman, E. C. Archer, A. L. Raffetto, C. E. Pancoast. It's quite a large group.

MR. BARRETT: Off the record.

(Discussion held off the record.)

MR. BARRETT: Let's go back on the record.

THE WITNESS: I did not include my own name.

BY MR. BARRETT:

Q. Who was the control officer in connection with the $15,000,000 loan to Chris-Craft?

A. Frederick R. Miller.

He is now president of a bank in Waterbury,

Connecticut.

Q. Did Mr. Siegel give you any idea when he expected to need the proceeds of this loan, Mr. Potts?

MR. SCHLOSSER: I object to the form of the question.

MR. MYERSON: You may answer.

THE WITNESS: You have an objection?

MR. SCHLOSSER: You can answer.

MR. BARRETT: He just makes objections.

THE WITNESS: It seems to me -- this I did check -- that we made our commitment I believe formally on January 31, and it was our understanding that he would begin taking down under this commitment almost immediately.

BY MR. BARRETT:

Q. Now, at the time you were considering the $15,000,000 loan, was there a limit to how much the bank could lend to Chris-Craft at that time? Not Chris-Craft's limitation, but your own limitation.

A. We have a legal limit; is this what you are asking?

Q. Yes. What is the legal limit?

A. Our legal limit. What it is today is not what it was then.

Q. What was it at that time?

A. $12,000,000.

Q. $12,000,000. Was it accordingly necessary for you to arrange for other banks to participate in this loan if you were to give Chris-Craft $15,000,000?

A. Yes, sir.

Q. Did the bank take steps to arrange for other banks to participate in the loan?

A. Yes.

Q. What banks did Philadelphia National approach in connection with the participation?

A. Marine Midland Grace and Chase Manhattan.

Q. Did you actually handle these contacts or did Mr. Miller handle them?

A. Mr. Miller.

Q. Do you know approximately when Mr. Miller first contacted Chase?

A. It would have been either December or January. December of '68 or January of '69.

Q. Did Mr. Miller tell you with whom he spoke at Chase?

A. I am sure he did.

Q. Does the name Ralph Rhiel refresh your recollection?

A. Yes.

Q. That he spoke to Mr. Rhiel at the bank?

A. I believe so.

Q. Did Mr. Miller tell you what he told Mr. Rhiel and

what Mr. Rhiel told him about the loan?

A. No.

I think I would have known what Mr. Miller was going to tell Mr. Rhiel prior to the fact, and then he would have reported back the reaction of Mr. Rhiel.

Q. What would that have been, Mr. Potts?

A. What would that have been?

Q. Yes.

A. That would have been that we, the Philadelphia National Bank, had been asked to put together a financing package of $15,000,000 with appropriate embellishments, explanations, reasons, and would they be interested or willing to participate to the extent of $5,000,000.

Q. I see. This is customary on loans of this size for industrial concerns, is it not?

A. Oh, indeed.

Q. Did Mr. Miller tell the Chase what the purpose of this loan was to be?

A. Yes, sir.

Q. What would he have said that the purpose was to be?

A. He would have said that the purpose is to acquire stock of Piper.

Q. I see. Would he have had a similar conversation with the Marine Midland?

A. Yes, he would have.

Q. And they would have met at approximately the same time?

A. Yes, sir, they would.

Q. In December or January? In December of '68 or January of '69?

A. Yes, sir.

Q. Did you yourself have any conversations with any representative of Chase or Marine Midland about this loan?

A. I did not.

Q. Did Mr. Miller advise you that either bank had asked him for any other information about Chris-Craft at that time?

A. We would have provided them with complete financial details or would have had Chris-Craft do it.

Q. I see.

A. We would have made as full a disclosure and explanation as possible.

Q. Did you, in your initial discussions with Mr. Siegel, consider any security for this loan?

A. Did not.

Q. Did you discuss any security for the loan with Chase or Marine Midland?

A. Did not.

Q. They didn't ask you whether the loan would be secured or unsecured?

A. Not to my knowledge.

Q. I see.

A. It would not have been presented on that basis. It would have been presented to them as participation in an unsecured loan.

Q. In an unsecured loan.

A. Yes.

Q. Did you have any discussions within the bank when Chris-Craft first advised you that it would be interested in $15,000,000 about the nature of the loan to be made? Was it always to be a straight demand loan, or were other types of financing considered?

A. No. Other types of financing were not considered at that time by us.

Q. Did Mr. Miller have any discussions with the Chase or Marine Midland, to your knowledge, about how Chris-Craft was to repay the loan?

A. Yes.

Q. What was the nature of those discussions?

A. Well, the intended repayment would have arisen through a number of possibilities. Perhaps the issuance of a different form of debt, or the issuance of paper which would increase the net worth of the capital of the company, or through the anticipated cash flow.

Q. I see. In other words --

A. As an aside, any time -- I would like to add as an aside, not for recording purposes if I may.

Q. I prefer your answer to be on the record, and this is all --

A. Then I was just going to add this for information purposes, for educational purposes, but we will forget it.

Q. What were your conversations with respect to the cash flow, Mr. Potts, as far as repayment of this loan was concerned? You testified that one of the possibilities was that Chris-Craft would repay this loan out of the anticipated cash flow.

A. You mean what did we expect the dollar amount of the cash flow to be?

Q. No. Where did you expect the cash to come from, flow, so forth?

A. Well, we expected this to come from a combination of earnings and depreciation.

Q. I see. Did this include a combination of Piper's earnings and depreciation with Chris-Craft?

A. Yes, sir, provided a merger ultimately took place.

Q. I see. I take it that you did not anticipate that this loan would be repaid out of the proceeds of the sale of $25,000,000 of debentures which took place in December of '68?

A. In December of '68?

Q. Yes.

A. Chronologically I am not sure that I follow your reasoning.

Q. My reasoning is that you -- off the record.

(Discussion off the record.)

MR. BARRETT: Back on the record.

BY MR. BARRETT:

Q. Did you anticipate that Chris-Craft would use the entire proceeds of its debenture offering and your loan to purchase Piper securities at this time?

A. "This time." Would you give me the time.

Q. The time is when you were considering making the loan.

A. Yes.

Q. Now, did you have this understanding on the fact that they were using, going to use the proceeds of your loan and their debenture offering for the purchase of Piper from conversations that you had with Mr. Siegel or other people at Chris-Craft?

A. Yes.

Q. You indicated earlier that other possible methods of repaying the loan were considered such as another debt offering.

A. Yes.

Q. Do you recall anything about any discussions about that with officers of Chris-Craft?

A. Indeed I do.

Q. Would you tell me what you recall, Mr. Potts?

A. May I ask a question off the record?

MR. BARRETT: Certainly.

(Discussion held off the record.)

MR. BARRETT: Let's go back on the record.

THE WITNESS: Well, that answer refers to discussions which we are currently having, you see. Because again --

MR. BARRETT: Let me rephrase the question.

BY MR. BARRETT:

Q. Do you recall any discussions that you had with officers of Chris-Craft during the period November-December-early January 1969 about alternative methods of repaying this $15,000,000 loan?

A. I can't recall the date or the place of any specific exchanges, but during this period we would have had discussions as to how this loan would ultimately be repaid and the ways by which it might be repaid.

Q. Do you recall whether Mr. Siegel told you at that time that he anticipated being able to obtain control of Piper by stock purchases?

A. This was his aim.

Q. Were there any discussions within your organization,

Mr. Potts, concerning this loan about having Chris-Craft maintain any compensating balance?

A. Specifically, no, because Chris-Craft, since our relationship with them, has kept what is in our opinion fair compensating balances.

BY MR. BARRETT:

Q What do you mean by "fair", Mr. Potts, approximately?

A This would relate to usage under the commitment. Now there are different formulas by which a bank would gauge "fair" today.

Q Yes.

A In some instances this could be maintaining balances which would be 20 percent of outstandings, it might be 15 percent of the line, and then 20 percent plus 5 percent on the amount outstanding.

It really is all over the lot, but I would say in this instance anything which was within the area of being 15 percent of a commitment or 20 percent of outstandings is fair.

Q I see.

A If not desirable.

Q I see.

What would you consider desirable, just by way of a gauge?

A I would consider desirable a situation where the deposits today exceed the loans.

Q I can understand that you would consider that desirable.

A I am not trying to be amusing, either. I couldn't be more serious.

Q No, no. I know.

Do you know if Chris-Craft maintained deposits at Chase during the time that this loan was instituted?

A Yes, they did.

Q Do you know if they maintained deposits at Marine Midland during this period?

A I do not believe they did.

Q Did either of those banks discuss requiring Chris-Craft to maintain a compensating balance there?

A I don't know about Chase. This was arranged for by Marine and us.

Q What do you mean by that, Mr. Potts?

A I mean that we increased the amounts that we were carrying with Marine.

Q I see.

And when you talk about 10 percent or 20 percent of the line in connection with this loan, do you mean 10 percent of your participation or 10 percent of total loans?

A Our participation.

Q I see.

A But let me qualify this. If you look at the entire picture for the $15 million outstanding you will be thinking in terms of 20 percent as a guide.

Q I see.

But you had no formal arrangements with Chris-Craft about this?

A No, sir.

Q You felt no need for such formal arrangement at that time?

A Correct.

Q Did you anticipate that Chris-Craft would be able to maintain this level of deposits?

A Yes.

Q Even though you knew that they were going to t. most of the cash, the very large cash supply that they h and invest it in securities of Piper?

A Yes.

Q During this period November, December, January that we are discussing, did Chris-Craft have any securities on deposit in the bank?

A I believe we have, that we are holding some debentures for them.

Q The time period I am talking about is the time that you were considering the loan.

A That's right. Did I know at that time?

Q Yes.

A To be more specific, what kind of securities?

Q Common stocks, government securities.

A Government securities, no. At that time their excess

funds would have been in certificates of deposit and those securities that you are so classifying would have been carried by us.

Q You would have carried their certificates of deposit?

A Yes.

Q Do you know if, during January of 1969, Chris-Craft had any securities on deposit with Chase?

A On deposit or custody?

Q In custody.

A Surmise -- I believe so.

Q What do you understand to be the difference between having something on deposit or in custody? Custody is just a custodian account?

A That's all.

Q I see.

A And deposit, differentiating, I was wondering what you meant.

Q That's true. Let's clear it up.

A It's cleared up?

Q Let us clear it up.

What do you understand by on deposit?

A When you said on deposit I was wondering whether or not you were considering this as collateral.

Q You tell me. Was it collateral? Do you understand this

to be collateral?

A I believe we already answered this question or I did earlier. This was an unsecured $15 million loan.

Q I understand that. I didn't ask you if it was collateral for the loan, Mr. Potts.

A No collateral.

Q You have no collateral at all?

A We have no collateral.

Q But you do have various securities physically present in your bank?

A In our custody department.

Q Did there come a time, Mr. Potts, that Chase and Marine Midland agreed to participate in this $15 million loan?

A Yes, sir.

Q Do you recall approximately when they agreed to do it?

A It would have been sometime during the month of January, 1969.

Q Is there any sort of an agreement among the bank, Chase, and Marine Midland with respect to this loan?

A Yes. There is an agreement that they would participate, each of them, to the extent of $5 million.

Q Was this in writing?

A It would be set forth in writing and in correspondence which we would have had with Chase and Marine Midland.

Q Would you be kind enough to furnish us copies of this correspondence, Mr. Potts?

MR. BARRETT: Would you mark this for identification?

(Excerpt from minutes of meeting of Executive Committee, The Philadelphia National Bank, held on January 31, 1969, with attachment, was marked Exhibit No. 73 for identification.)

BY MR. BARRETT:

Q Mr. Potts, I show you Exhibit 73 and I will ask you what it is.

A I stated it is an excerpt from the minutes of the Executive Committee meeting of the Philadelphia National Bank held on January 31, 1969 relating to $15 million commitment to Chris-Craft Industries; and attached to that is a form which we use in our bank for summarizing the financial data of the borrower and in this instance financial data of the company, the stock of which was being acquired in part from proceeds of our loan.

Q The financial schedule attached to the minutes, Mr. Potts, was prepared by someone in the bank?

A Yes, sir.

Q Did you attend the Executive Committee meeting?

A I did.

Q Are meetings of the Executive Committee of the bank held regularly?

A Every Friday morning.

Q Every Friday morning?

And do loans of this type come up for approval at such meetings?

A They do.

Q And it was in the regular course of such a meeting that this loan came up for approval?

A Yes, sir.

Q Is there any sort of a presentation made at this meeting?

A There is.

Q Do you recall what sort of a presentation was made with respect to this particular loan?

A Yes. The presentation that was made in connection with this set forth the history of our relationship with Chris-Craft and its management and the purpose for the loan.

Q Who are the members of the Executive Committee, Mr. Potts?

A Who are or who were?

A Who were the members of the Executive Committee at the time that this loan was approved?

A The members of the Executive Committee consisted of at that time, not necessarily at that meeting, three full-time

employees of the bank -- Frederic A. Potts, Chairman; John McDowell, Vice Chairman, G. Morris Dorrance. President.

The members of the board, not full-time employees of the bank, could have included at that time Thomas A. Bradshaw George Rincliffe, Paul Funkhouser, Charles Meyer, and there would have been a visiting member.

Q Who actually made the presentation?

A I did.

Q You made it?

Do you recall in substance what you said, Mr. Potts?

A Yes.

Q Would you like to read this?

A No. As I indicated to you, I reviewed the history of our relationship with Chris-Craft and its management and discussed the basis for the loan.

Q I see.

Did you discuss repayment of the loan at that time?

A Yes. Repayment of the loan would have been reviewed.

Q And the three possible alternatives for repayment which you previously testified to -- would that have been discussed?

A That would have been mentioned.

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Q Did you have any information, Mr. Potts, at the time of the Executive Committee meeting or earlier as to approximately how long Chris-Craft intended to have this loan outstanding?

A I did not.

Q Was a similar presentation made sometime prior to the meeting of the Executive Committee to the Senior Loan Committee?

A Yes, sir.

Q Approximately when would that have taken place?

A The day before.

Q The day before?

A Yes.

Q Are there minutes of that meeting, Mr. Potts?

A No. The only minutes of that meeting would be the write-up, and this is what we would refer to her. That would be the committee write-up.

Q I see.

A That would be the only minutes.

Q I see.

Did you make a similar presentation to the Senior Loan Committee?

A I believe this would have been made by Fred Miller.

Q But you attended the meeting. You are a member of the

committee?

A Yes, I am.

Q Do you recall at the Executive Committee meeting, Mr. Potts, whether there was any discussion as to when Chris-Craft would need the money?

A I think it was indicated at that time that the need for the money would arise pretty soon.

Q When did Chris-Craft advise the bank that it needed the proceeds of the loan?

A Oh, I believe Chris-Craft borrowed within a few days after our commitment.

Q Do you recall that Chris-Craft actually called on Sunday, February 2nd?

A Sunday, February 2nd? I don't recall that they called on Sunday.

Q You have no recollection of that?

A As I have indicated -- at the bank or at home?

Q I presume at home.

A Once in a great while I am there on Sunday.

Q Did Mr. Miller tell you that he had received a call from anyone at Chris-Craft?

A He may well have.

Q About the loan?

A (There was no response.)

Q Do you know the actual date of the loan, Mr. Potts?

A February -- February 4th?

MR. BARRETT: Off the record.

(Discussion off the record.)

MR. BARRETT: Back on the record.

Would you mark this for identification, please?

(Letter dated February 3rd, 1969 addressed to Mr. James J. Rochlis, Vice President, Chris-Craft Industries, Inc., from Vice President The Philadelphia National Bank, was marked Exhibit 74 for identification.)

BY MR. BARRETT:

Q Mr. Potts, I show you a copy of a letter apparently from Mr. Miller to Mr. Rochlis dated February 3rd and ask you if that refreshes your recollection that the loan, in fact, went through on the 3rd of February.

A Indeed this would.

Q Is it now your testimony that the loan was, in fact, made on the 3rd?

A I stand corrected, Mr. Barrett.

Q Thank you.

The 3rd of February was a Monday and the 31st of January was a Friday. Does that now refresh your recollection that Mr. Miller might have told you that he had a telephone call from Mr. Maxwell at Chris-Craft?

A He could well have. I am not sure it does because I am not sure it would even have been important for him to have told me.

Q Did Chris-Craft take down the entire proceeds of the loan?

A I don't recall.

MR. BARRETT: Off the record.

(Discussion off the record.)

MR. BARRETT: Back on the record.

BY MR. BARRETT:

Q Is it your recollection that Chris-Craft took down the entire proceeds of the loan on February 3rd?

A As recited by the letter, yes, sir.

Q I see.

Did Mr. Miller tell you how Chris-Craft wanted the proceeds of the loan, in what form?

A We would have credited their account.

Q Did he also tell you that Chris-Craft would like the proceeds of the loan to be at the Bank of New York in good funds at the opening of business on Monday, February 3rd?

A He may well have. I really do not recall.

Q You don't recall?

Were you surprised that Chris-Craft took down the loan so quickly?

MR. SCHLOSSER: Objection.

MR. BARRETT: What's the ground of the objection?

MR. SCHLOSSER: Whether he was surprised or not isn't relevant.

THE WITNESS: I am not sure I was. Chris-Craft had certain maturing CD's, which they preferred to let run until their maturity date rather than sell them in the secondary market.

MR. BARRETT: Off the record.

(Discussion off the record.)

MR. BARRETT: Back on the record.

BY MR. BARRETT:

Q Now, Mr. Potts, did the Bank of New York act as depositary for Chris-Craft in connection with its cash tender for Piper securities in January of 1969?

A I don't know; it could have.

MR. BARRETT: Would you mark this for identification?

(Letter dated February 20, 1969 on letterhead of The Bank of New York addressed to "Dear Bob" signed "Howard" was marked Exhibit No. 75 for identification.)

THE WITNESS: I believe that to be the case. The details of it were handled by Mr. Miller.

BY MR. BARRETT:

Q I show you, Mr. Potts, a letter addressed to you from Mr. Howard Poduska of the Bank of New York, dated February 20th, which has been marked as Exhibit 75 for identification.

Do you know what the business is that Mr. Poduska is referring to in the first paragraph?

A It would have been in connection with the tender offer of Chris-Craft for Piper stock.

Q Did you suggest the Bank of New York to Mr. Siegel in connection with this transaction?

A We, the Philadelphia National Bank, would have made that suggestion.

Q Do you recall approximately when you would have made the suggestion to him?

A I do not. It would have been, obviously, sometime prior.

Q Obviously.

Do you recall how it came about that you volunteered that the Bank of New York should act as their tender agent?

A We considered the Bank of New York highly qualified and we were interested in seeing to it that Chris-Craft was well served and we enhanced our relationship with the Bank of New York.

Q I see.

Do you recall approximately when Mr. Siegel

it was through one of the American investment houses, I do not know.

MR. BARRETT: Would you mark this for identification, please?

(Copy of cablegram from Arbuthnot Latham and Co. Ltd., London, England, to Bankphil, dated 1-29-69 was marked Exhibit No. 76 for identification.)

BY MR. BARRETT:

Q Mr. Potts, I show you a copy of a telegram or a cablegram from Arbuthnot Latham and Co., London, addressed to Mr. Miller at the bank, and I ask you if that refreshes your recollection.

A Yes.

Q Do you recall seeing that cablegram before?

A I could have.

Q Did you have any discussion with Mr. Miller about that telegram?

A Yes. I would have had discussion with Mr. Miller about really anything pertinent relating to Chris-Craft.

MR. BARRETT: I have no further questions, Mr. Potts.

MR. MYERSON: Mr. Schlosser?

MR. SCHLOSSER: No.

MR. MYERSON: Mrs. Warshauer?

MRS. WARSHAUER: No.

advised you that he would be needing a tender agent?

A I do not.

A Specifically, I couldn't begin to answer that question.

Q Did there come a time that Chris-Craft asked the bank to assist it in obtaining financing in Europe during this period?

A During this period?

Q Yes.

A Which period again now?

Q Let's talk about the period December of 1968 -- January of 1969.

A Chris-Craft may have asked us to explore the European financing.

Q What was the purpose of this financing, Mr. Potts?

A The purpose of the financing would have been to use that avenue rather than the domestic bank financing that was obtained from the Philadelphia National Bank, Chase, and Marine Midland.

Q I see.

Did Mr. Siegel tell you that he had had any conversations with any financing institution in Europe during the period November through January?

A I am aware that he had discussions. Whether it was specifically with a financial institution in Europe or whether

(Concluded at 12:30 o'clock P. M.)

I N D E X

EXHIBIT NO.		PAGE NO.
70	Memorandum of Chris-Craft Ind. with initials R.H.P. at bottom.	14
71	Three-page document headed Chris-Craft Industries, Inc.	20
72	Two-page letter to Lenders dated October 22, 1968	34
73	Excerpt from minutes of meeting of Executive Committee, The Philadelphia National Bank, held January 31, 1969, with attachment.	52
74	Letter dated February 3, 1969 addressed to Mr. James J. Rochlis, Vice President, Chris-Craft Industries, Inc. from Vice President of Philadelphia National Bank	57
75	Letter dated February 20, 1969 on letter-head of The Bank of New York addressed to "Dear Bob" signed "Howard".	59
76	Copy of cablegram from Arbuthnot Latham and Company, Ltd., London, England to Bankphil, dated 1-29-69.	61

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EXHIBIT
U. S. Dist. Court
S. D. of N. Y.

149 ik.

January 28, 1969

CREDIT FILES

PHILADELPHIA NATIONAL BANK
Philadelphia, Pennsylvania

Yesterday Bob Blomquist received a call from Fred Miller asking if we would be in a position to assist Chris-Craft Industries Inc. in their take-over bid for Piper Aircraft. Bob explained our policy and promised to check into the matter and get back. Subsequently we talked to Ralph Riehle who handles the Chris-Craft account uptown. Ralph checked the policy matter out with Jack Taylor and Joe Kennedy and received approval in principle to offer financing up to $5MM to Chris-Craft. Naturally this would be subject to the credit factors proving to be satisfactory. Apparently Philadelphia National Bank had been approached by Chris-Craft and was requested to see what funds could be made available. Ralph and later Bob Blomquist talked to Fred Miller and indicated our willingness in principle to commit for $5MM. Fred says that the funds may not be necessary but certainly appreciated our interest and would let us know what developed.

P. T. Walker

abc

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Q Was there any surprise registered by anyone -- strike that.

There is a counter suggestion of a counteroffer in here by Mr. Salgo; is that correct?

A Yes. I believe Mr. Salgo did suggest that to the meeting.

Q Was there any surprise registered on your part or the part of anyone else that Mr. Salgo suggested this consideration of $7 million?

A No, no surprise in the sense that management of the company wanted to get all the money they could.

Q In view of the fact that the investment of Bangor Punta Corporation was, I believe, greatly in excess of 7 million --

MR. RYAN: I think you misconceive the book figure of 18 million as being an investment of Bangor Punta.

This is what the Bangor & Aroostook stock was carried on the books of Bangor Punta at, but it doesn't necessarily mean what Bangor Punta Corporation had invested in the railroad.

In other words, I think the term investment is not accurate.

MR. BELKIN: Well, at least it was carried on the books for 18.

MR. RYAN: That's correct.

SANSOM REPORTING, INC.
Spot Calls—Daily Copy
9 BECKMAN STREET
NEW YORK, N. Y. 10038
Area Code 212 • Rector 3-3181

BY MR. BELKIN:

Q In view of the fact that it was carried on the books at 18 million, was any surprise registered by anyone that --

A I am not aware of that. I think that the point of the discussion was as to what the railroad was worth to sell.

Q Do you recall the next time that you reported to the board?

Was there a next time, first of all?

A Yes. There was a next time.

Q Do you recall when that was?

MR. RYAN: Reported to the board?

MR. BELKIN: Board of directors.

A I think it was in September.

Q Do you recall whether it was September 9th?

A Let me look. September 9th, yes.

MR. BELKIN: At this point I'd like to have the reporter mark as Hutchins' Exhibit No. 3 a document, the front cover of which is entitled "Bangor Punta Corporation, Special Meeting of the Board of Directors, September 19, 1969, Board Meeting No. 5."

(Whereupon, the above-referred to document was received and marked by the reporter as Hutchins'

to hold that money indefinitely while you were making up your mind?

MR. RYAN: In those words?

Q In words or substance.

A If you add to your question, he didn't want to wait indefinitely. Yes, he wanted to wrap it up as quickly as possible because money was worth money then.

Q At this June 3rd meeting that you have testified to, with the Bangor Punta management with Mr. Seal and Mr. Stone present?

A No.

Q What did Messrs. Seal and Stone have to do with the sale after you wrote the May 27th letter to Mr. Dumaine?

A After --

Q The May 27th letter, which outlined the terms of the deal, did they have anything more to do?

MR. RYAN: The deal or a deal?

MR. LIMAN: A deal.

A Except I remember particularly at the meeting on September --

MR. RYAN: September 9.

A -- they supported my contention that we should

not lose the deal with Mr. Dumaine over our insistance on a sale of assets against stock, and described my thinking, this was the best deal for the railroad, that I could try to improve it by selling assets, but failing to do that, they [illegible]ted a motion to authorize me to sell the sto[illegible]ne railroad for $5 million.

Q Did you ever send copies of your May 27, 1969 letter to Mr. Seal or Mr. Stone?

A I must have. I don't recall it, but I must have.

Q In your May 27th letter you referred to the fact that the sale price of $5 million could be in Bangor Punta's convertible preferred stock, in part or all?

A Yes.

Q Was there further discussion after May 27th of the possibility of paying the $5 million in stock rather than cash?

A This was Dumaine's request, not ours. They had preferred stock or preference stock to the extent of 20 odd thousand shares, and there was discussion that if they used that stock as partial payment, as to what price it would go in at, and I am guessing

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which were part of your expertise.

A. Yes.

Q. Is this a-part from tax consequences, general acquisition work?

A. Yes.

Q. What work did you do on the registration statement that became effective July 18, 1969 with respect to shares of Piper common stock?

A. I did bits and pieces of it.

Q. Approximately how much work did you do during June and July of 1969?

A. Well, one of the reasons I have been talking about 60 days and the reason I say that is because I was gone almost the entire month of June. So, I would say that I probably put some time in in July but I do not--

Q. Well, sixty days from March 26 would end on May 26.

A. Then I do not remember exactly when I was gone. It seems to me I was going most of June.

Q. Well, how much work did you do during July on the registration statement then?

A. I could not say in amounts of time. I did some work on it.

Q. Two hours a day?

A. I do not really remember. I went to the printer a couple of nights with him to proof read and follow up on

changes.

If you go down there, you are going to spend quite a bit of time.

Q. Did it interfere with your normal work during July, your other work?

A. You know, I was leaving at the end of August so I do not know that you could really say I had a normal load at that time. I told Flick a month before that that I was leaving.

Q. Now, who did the tax work besides outside people. Who, in Bangor-Punta did the work on tax consequences--there was you and Mr. Priddle?

A. Right.

Q. Is Mr. Priddle an attorney?

A. No.

Q. What other accountants within Bangor Punta's organization worked on tax consequences?

A. I think it would probably be Priddle, primarily. The others may have done partsof it.

Q. What other people?

A. Well, the financial department is under Steven Galle. He has an assistant named John Lushing.

Q. Were those primarily the people that did accounting work with respect to tax consequences?

A. No, I think it would have been Cy Priddle primarily

~~179G-1. [Proposed by Chris-Craft and the SEC]~~

Mr. Reames testified as follows at pages 58-61:

Q. In other words, you estimated in your memorandum of July 2 a loss of 17.7 million in the sale of the right-of-way for tax purposes.

A. That would be based on the assumption that the tax was the same.

Q. And Mr. Hutchins estimated the loss of 4.1 million for tax purposes, for the same property; is that correct--is that your understanding?

A. From reading this, that seems to be correct.

Q. Just referring to the right of way, is that your understanding?

A. That is the way it looks.

Q. Can you tell me why there would be such a large difference? Do you know why there is such a large difference between your estimate and Mr. Hutchins' estimate?

A. No, unless it is in the assumptions. I can tell you what the assumptions are on this exhibit 3 but I do not know on exhibit 4. They are not marked.

Q. Mr. Hutchins' last sentence in which he starts "... best estimate at the moment is that these cost figures will show a 15.8 cost basis." Are you stating you do not know on ... t

assumptions that 15.8 figure was arrived at?

A. That is correct. I do not know what the assumptions were on that.

Q. Do you know who estimated that 15.8?

A. No.

* * *

Q. I understand but there is such a significant difference, it seems, between your figures and Mr. Hutchins' figures and in a short period of time I should think this would stand out in your mind somewhat.

In other words, you originally estimated, I believe, 29.4 and Mr. Hutchins is estimated about half of that. I just thought this would stand out in your mind as a significant point.

A. Those figures are very elusive mainly because you keep the records for the railroad and for tax purposes on an apparently quite different concept.

If it was depreciable property, you would keep them for tax purposes also. But if it was non-depreciable, then there was little reason to go to all of the work to update your records to put them on a comparable basis especially when you had to keep them primarily on the ICC basis. So there was-- I can see where there would be a difference because there was some speculation, that is why we more or less spelled out our assumptions and tried to write them out and put a number

down so we would know that, if ultimately we were wrong on that, we were not stating it as an opinion or as a view. We were stating it as an assumption more or less.

DEFENDANT'S
EXHIBIT
U. S. Dist. Court
S. D. of N. Y.

698 - [Draft--1/22/69]

OFFER TO PURCHASE 300,000 SHARES OF COMMON STOCK OF

PIPER AIRCRAFT CORPORATION

BY

CHRIS-CRAFT INDUSTRIES, INC.

Chris-Craft Industries, Inc. ("Chris-Craft") hereby offers to purchase ~~up to~~ 300,000 shares of Common Stock (Par Value $1 Per Share) of Piper Aircraft Corporation ("Piper") as follows:

1. Chris-Craft offers to purchase 300,000 shares of the Common Stock of Piper subject to the terms and conditions set forth herein and in the Letter of Transmittal.

2. Chris-Craft will purchase for cash 300,000 shares of Common Stock at $15 per share net to the seller.

3. This Offer will expire at 12:00 noon, Eastern Standard Time ("EST"), on , 1969, unless extended by Chris-Craft upon notice to the Depositary.

4. Except as stated in this paragraph, tenders are irrevocable. Any holder of ~~Chris-Craft~~ Piper Common Stock tendering his shares pursuant to this Offer may withdraw his shares before 10 a.m. EST [7 days], 1969. Unless theretofore purchased by Chris-Craft, shares so tendered may also be withdrawn at any time after [60 days], 1969.

5. Chris-Craft will pay any member of the NASD or any registered national securities exchange or any foreign broker or dealer whose name and address appear in the appropriate space in the Letter of Transmittal a commission of $. per share of Piper Common Stock purchased by Chris-Craft.

This Offer is subject to the terms and conditions set forth below, and in the Letter of Transmittal.

IMPORTANT

ANY STOCKHOLDER WISHING TO TENDER HIS SHARES SHOULD: (1) REQUEST HIS BANK OR BROKER TO EFFECT THE TRANSACTION FOR HIM, OR (2) COMPLETE AND SIGN THE LETTER OF TRANSMITTAL AND FORWARD IT WITH HIS STOCK CERTIFICATE(S). HOLDERS OF COMMON STOCK OF PIPER AIRCRAFT CORPORATION HAVING COMMON STOCK REGISTERED IN THE NAME OF A BROKER, DEALER OR BANK NOMINEE ARE URGED TO CONTACT THEIR BROKER, DEALER OR BANK IF THEY DESIRE TO TENDER THEIR SHARES.

If the aggregate number of shares of Common Stock tendered by the stockholders of Piper exceeds shares, Chris-Craft will purchase shares and may, at its option, purchase all or any part of the excess. If less than

shares are tendered, Chris-Craft may, at its option, purchase all, but not less than all, the shares tendered.

If the shares tendered prior to 2:00 p.m. EST, [terminal date of offer], 1969, exceed " shares, and Chris-Craft purchases less than all the shares tendered, all the shares purchased will be purchased as nearly as may be pro rata, disregarding fractions, according to the number of shares tendered by each stockholder. If this Offer is extended and Chris-Craft purchases less than all the shares tendered in excess of shares, Chris-Craft will purchase all shares tendered on or prior to 2:00 p.m. EST, [original termination date of offer], 1969, and any additional shares purchased will be selected on a first-come, first-served basis from the shares tendered after 2:00 p.m. EST, [original termination date of offer], 1969.

Chris-Craft may purchase shares of ...er Common Stock during the pendency of th... Offer on national securities exchanges or otherwise at prices not in excess of the price of this Offer.

If Piper should, during the pendency of this Offer, declare and pay any stock dividend or distribution or split its shares of Common Stock, and make distribution thereof, or combine or otherwise change its shares of Common Stock,

appropriate adjustment in the purchase price and the number of shares offered to be purchased, and fees payable, will be made. If Piper should declare any dividend or distribution of rights with respect to its securities payable or distributable to stockholders of record on a date occurring prior to the transfer to Chris-Craft's name of shares of Common Stock purchased under this Offer but prior to the payment or distribution thereon on such shares, then (i) the purchase price per share payable by Chris-Craft will be reduced by the amount of any such cash dividend and (ii) the gross amount of any other such dividend, distribution or rights shall be required to be remitted by the tendering stockholder to the Depositary for the account of Chris-Craft; and pending such remittance or appropriate assurance thereof, Chris-Craft may withhold the purchase price or deduct from the purchase price the amount or value of any other such dividend, distribution or rights as to any shares of Common Stock purchased by Chris-Craft but not transferred to its name by the record date therefor.

Chris-Craft may withdraw this Offer, at its option, at any time, if any legal action is instituted or threatened in any court or by or before any governmental agency with respect to this Offer or the right of Chris-Craft to own, operate or control the stock of Piper, or if any material

increase in the aggregate number of outstanding shares of Common Stock of Piper (except pursuant to any stock dividend or split, combination or change in the shares of Common Stock of Piper for which an appropriate adjustment is made as described above or pursuant to a dividend or distribution required to be remitted to the Depositary pursuant to the preceding paragraph) or any material change in its capitalization or distribution of assets, or any material change in the operations or financial condition of Piper, is proposed or made.

If, at any time prior to the expiration of the Offer, Chris-Craft shall improve the terms of the Offer in any way, such amendment will extend to all shares previously tendered pursuant to the Offer.

Payment for all shares purchased pursuant to this Offer will be made as soon as practicable after the expiration of this Offer. Stock certificates representing shares tendered which are not purchased will be returned without expense to the persons tendering such shares promptly after the expiration of this Offer.

Stock will be deemed properly tendered if (a) a properly executed Letter of Transmittal, accompanied by certificates of Piper Common Stock in proper form for transfer, has been deposited with a commercial bank or trust company

in the United States, or with a member firm of any registered national securities exchange, and (b) the Depositary shall have received from such bank, trust company, or member firm, prior to the expiration date of the Offer, a letter or telegram confirmed by letter giving the name of the tendering holder, the number of shares tendered, and guaranteeing delivery of the tendered shares to the Depositary within five business days after the Depositary gives notice of acceptance of such shares.

All questions as to the validity, form, eligibility (including the time of receipt) and acceptance of any tender of shares will be determined by the Depositary, which determination shall be final and binding. Chris-Craft reserves the right to waive any of the conditions of this Offer or any defect in the tendering of shares. This Offer is not being made to, nor will Chris-Craft accept tenders from, stockholders in any state where the making or acceptance thereof would not be in compliance with the securities laws of such state. In states where the applicable law requires that this Offer be made by or through a licensed securities dealer, this Offer is being made on behalf of Chris-Craft by one or more registered broker dealers who are licensed under the laws of such states.

Chris-Craft is a Delaware corporation whose principal executive offices are located at 600 Madison Avenue, New York, New York, and whose common stock is listed on the New York

Stock Exchange. Chris-Craft is the world's largest manufacturer of pleasure boats. Chris-Craft also manufactures and sells plastic and latex foams, carpets, yarns and similar products, as well as organic chemicals and DDT. Through its subsidiaries, Chris-Craft also owns and operates television stations in Los Angeles, California, Minneapolis-St. Paul, Minnesota, and Portland, Oregon.

Funds used by Chris-Craft to purchase shares of Piper Common Stock tendered pursuant to this Offer are estimated to be approximately $ if shares are purchased and will approximate $ per share for each additional share purchased. In making such purchases, Chris-Craft proposes to utilize the following sources of funds, in part or in whole:

Chris-Craft intends through this Offer to acquire control of Piper. Chris-Craft does not have any present plans or proposals to liquidate Piper, to sell its assets or to merge it with any other persons, or to make any other major change in its business or corporate structure. Upon completion of this Offer, Chris-Craft may give consideration to some form of combination between it or any of its subsidiaries and Piper.

Neither Chris-Craft, nor to the best of its knowledge any officer, director or person who may be deemed controlling Chris-Craft or associate of the foregoing, owns beneficially any shares of Common Stock of Piper or has a right to acquire directly or indirectly any such Common Stock. Neither Chris-Craft nor any of its subsidiaries nor any of their officers, directors or affiliated persons have effected any transactions in the Common Stock of Piper during the past 60 days.

Neither Chris-Craft nor, to the best of its knowledge, any of its officers or directors or persons who may be deemed to be controlling Chris-Craft has any contract, arrangement or understanding with any person with respect to any securities of Piper.

The charges and expenses of the Depositary referred to below and all stock transfer taxes arising from the sale of Chris-Craft will be paid by Chris-Craft.

The high and low prices on the New York Stock Exchange of the Common Stock of Piper for 1966, 1967, 1968 and through January 21, 1969, according to published information, have been as follows:

	High	Low
1966	69-3/4	32-3/4
1967	56-1/2	39-1/2
1968	72-1/4	48
1969 (through Jan. 21, 1969)	54-7/8	50-7/8

On January 21, 1969, the closing price on the NYSE of Piper Common Stock was $ 51 7/8.

On January , 1969, the last trading day prior to this Offer, the closing price on the New York Stock Exchange of Piper Common Stock was $

Chris-Craft has filed with the Securities and Exchange Commission a statement pursuant to Rule 14d-1 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, furnishing certain information with respect to this Offer.

Additional copies of the Letter of Transmittal may be obtained from the Depositary, the Dealer Managers named below or from any broker or dealer. Facsimile copies of the Letter of Transmittal will be accepted.

DEPOSITARY

MAILING ADDRESS:

HAND DELIVERY:

_____

_____

_____

The Dealer Managers for this Offer are:

and

The names, addresses and occupations of the officers and directors of Chris-Craft and each person who may be deemed to be controlling persons of Chris-Craft are as follows:

DEFENDANT'S
EXHIBIT
U. S. Dist. Court
S. D. of N. Y.

E xhibit

Offer to Purchase

300,000 Shares of Common Stock
of
Piper Aircraft Corporation
by
Chris-Craft Industries, Inc.

Chris-Craft Industries, Inc. ("Chris-Craft") hereby offers to purchase up to 300,000 shares of Common Stock (par value $1 per share) of Piper Aircraft Corporation ("Piper") as follows:

1. Chris-Craft offers to purchase up to 300,000 shares of the Common Stock of Piper subject to the terms and conditions set forth in this Offer and in the Letter of Transmittal.

2. Chris-Craft will purchase for cash at $65 per share net to the seller the shares of Piper Common Stock duly deposited pursuant to this Offer.

3. This Offer will expire at 5:00 P.M., Eastern Standard Time, on February 3, 1969, unless extended by Chris-Craft upon notice to the Depositary.

4. Except as stated in this paragraph, tenders are irrevocable. Any holder of Piper Common Stock tendering his shares pursuant to this Offer may withdraw his shares before 5:00 p.m., Eastern Standard Time, on January 31, 1969. Unless theretofore purchased by Chris-Craft, shares so tendered may also be withdrawn at any time after March 25, 1969.

5. Chris-Craft will pay any member of the National Association of Securities Dealers, Inc. or of any registered national securities exchange or any foreign broker or dealer whose name and address appear in the appropriate space in the Letter of Transmittal a commission of $1.00 for each share of Piper Common Stock purchased by Chris-Craft.

IMPORTANT

Any stockholder wishing to tender his shares should (1) request his bank or broker to effect the transaction for him or (2) complete and sign the Letter of Transmittal in the two places required and forward it with his stock certificate(s) to the Depositary. Holders of Piper Common Stock having shares registered in the name of a broker, dealer or bank nominee are urged to contact their broker, dealer or bank if they desire to tender their shares.

If the aggregate number of shares of Common Stock tendered by the stockholders of Piper exceeds 300,000 shares, Chris-Craft will purchase that number and may, at its option, purchase all or any part of the excess. If less than 300,000 shares are tendered, Chris-Craft will purchase all the shares tendered.

If the shares tendered prior to 5:00 P.M., Eastern Standard Time, on February 3, 1969, exceed 300,000 shares, and Chris-Craft purchases less than all the shares tendered, all the shares purchased will be purchased as nearly as may be pro rata, disregarding fractions, according to the number of shares tendered by each stockholder. If this Offer is extended and Chris-Craft purchases less than all the shares tendered in excess of 300,000 shares, Chris-Craft will purchase all shares tendered on or prior to 5:00 P.M., Eastern Standard Time, on February 3, 1969, and any additional shares purchased will be selected on a first-come, first-served basis from the shares tendered after that time.

Chris-Craft may purchase shares of Piper Common Stock during the pendency of this Offer on national securities exchanges or otherwise at prices which may be the same as or lower than the price set forth in this Offer.

If Piper should, during the pendency of this Offer, declare any stock dividend, split its shares of Common Stock or combine or otherwise change its shares of Common Stock, appropriate adjustment in the purchase price and the number of shares offered to be purchased, and fees payable, will be made. If Piper should declare any dividend (other than its regular quarterly cash dividend of 35¢ per share) or other distribution on or issue any rights with respect to its securities payable or distributable to stockholders of record on a date occurring prior to the transfer to Chris-Craft's name of shares of Common Stock purchased under this Offer, and prior to the payment or distribution thereof, then (i) the purchase price per share payable by Chris-Craft will be reduced by the amount of any such cash dividend and (ii) the [illegible] any other such dividend [illegible]

Chris-Craft may withdraw this Offer, at its option, at any time, if any material increase in the aggregate number of outstanding shares of stock of Piper (except pursuant to any stock dividend, split, combination or change in the shares of its Common Stock for which an appropriate adjustment is made or pursuant to any action requiring a remittance to the Depositary, in each case pursuant to the preceding paragraph) or any material change in the capitalization, operations or financial condition of Piper is proposed or made.

If, at any time prior to the expiration of this Offer, Chris-Craft shall improve the terms of this Offer in any way, such improvement will extend to all shares previously tendered pursuant to this Offer.

Payment for all shares purchased pursuant to this Offer will be made as soon as practicable after the expiration of this Offer. Stock certificates representing shares tendered which are not purchased will be returned without expense to the persons tendering such shares promptly after the expiration of this Offer.

Stock will be deemed properly tendered if (a) a properly executed Letter of Transmittal, accompanied by certificates of Piper Common Stock in proper form for transfer, has been deposited with a commercial bank or trust company in the United States, or with a member firm of any registered national securities exchange, and (b) the Depositary shall have received from such bank, trust company or member firm, prior to the expiration date of this Offer, a letter or telegram confirmed by letter giving the name of the tendering holder and the number of shares tendered and guaranteeing delivery of the tendered shares to the Depositary within five business days after the Depositary gives notice of acceptance of such shares.

Chris-Craft reserves the right to reject any tender of shares of Piper Common Stock if the irrevocable proxy (attached to the Letter of Transmittal) to vote at the annual meeting of shareholders of Piper called to be held on February 4, 1969, is not signed by the registered holder of the shares being tendered and delivered to Chris-Craft by February 3, 1969. Any such proxy will be used by Chris-Craft only with respect to shares purchased by it pursuant to this Offer and will be revoked if any deposited shares are withdrawn by the stockholder.

All questions as to the validity, form, eligibility (including the time of receipt) and acceptance of any tender of shares will be determined by the Depositary, which determination shall be final and binding. Chris-Craft reserves the right to waive any of the conditions of this Offer or any defect in the tendering of shares. This Offer is not being made to, nor will Chris-Craft accept tenders from, stockholders in any state where the making or acceptance thereof would not be in compliance with the securities laws of such state. In states where the applicable law requires that this Offer be made by or through a licensed securities dealer, this Offer will be made on behalf of Chris-Craft by one or more registered broker-dealers who are licensed under the laws of such states.

Chris-Craft is a Delaware corporation with principal executive offices at 600 Madison Avenue, New York, New York. Its stock is listed on the New York Stock Exchange. Chris-Craft is the world's largest manufacturer of pleasure boats. Chris-Craft also manufactures and sells plastic and latex foams, carpets, yarns and similar products, as well as organic chemicals and DDT. Through subsidiaries, Chris-Craft also owns and operates television stations in Los Angeles, California, Minneapolis-St.Paul, Minnesota, and Portland, Oregon.

Funds required by Chris-Craft to purchase shares of Piper Common Stock tendered pursuant to this Offer are estimated to be approximately $19,800,000 if 300,000 shares are purchased. In making such purchases, Chris-Craft proposes to use its general funds. In December 1968 Chris-Craft obtained approximately $25,500,000 from a public underwritten subscription offering of its 6% Convertible Subordinated Debentures Due 1989. To the extent additional funds are required, Chris-Craft proposes to borrow from banks on a short-term basis. Arrangements for such borrowings have not yet been made.

Chris-Craft is purchasing the Piper shares for investment with a view to control of Piper, but it does not presently have any specific plan or proposal to liquidate Piper, to acquire control of Piper, to sell its assets or to merge with any other companies or to make any other major change in its business or corporate structure. If this Offer is successfully completed, Chris-Craft will give consideration to some form of combination between it and Piper.

Since January 1, 1969, Chris-Craft has acquired 200,500 shares of Piper Common Stock, of which 99,400 shares were acquired in the open market and 101,100 shares from an institutional investor in a negotiated transaction. To the best of the knowledge of Chris-Craft, no officer, director or person who may be deemed to control Chris-Craft or any associate of the foregoing has effected any transaction in Piper Common Stock during the past 60 days.

The charges and expenses of the Depositary referred to below and all stock transfer taxes arising from the sale of the Piper Common Stock to Chris-Craft will be paid by Chris-Craft.

The high and low prices on the New York Stock Exchange of the Piper Common Stock from January 1 through January 22, 1969, according to published information, were $54⅞ and $50⅞, respectively. On January 22, 1969, the closing price on the New York Stock Exchange of Piper Common Stock was $52½.

Chris-Craft has filed with the Securities and Exchange Commission a statement pursuant to Rule 14d-1 of the General Rules and Regulations under the Securities Exchange Act of 1934 furnishing certain information with respect to this Offer.

Additional copies of the Letter of Transmittal may be obtained from Chris-Craft, from any broker or dealer or from the persons listed below. Facsimile copies of the Letter of Transmittal will be accepted.

THE BANK OF NEW YORK, *Depositary*
20 Broad Street,
Stock Transfer Department, 6th Floor
New York, N. Y. 10015
Phone: 212-530-3423

THE KISSEL-BLAKE ORGANIZATION, INC.
50 Broadway, Room 2104
New York, New York 10004
Phone: 212-344-6733

The directors of Chris-Craft and their principal occupations (positions are with Chris-Craft unless stated otherwise) and their business addresses (600 Madison Avenue, New York, N.Y. unless stated otherwise) are as follows: Herbert J. Siegel, Chairman of the Board and President; Alfred J. Hollender, Executive Vice President; James J. Kochlis, Vice President; H. H. Coll, Vice President, 555 S.W. 12th Avenue, Pompano Beach, Florida; C. Leonard Gordon, Vice President; Lawrence R. Barnett, Vice President; Robert B. Hunter, Secretary-Treasurer; Armand G. Erpf, partner, Loeb, Rhoades & Co., 40 Wall Street, New York, N.Y.; Louis C. Goad, retired, 271 Lone Pine Road, Bloomfield Hills, Michigan; David F. Linowes, partner, Laventhol, Krekstein, Horwath & Horwath, 866 Third Avenue, New York, N.Y.; Alvin R. Rozelle, Commissioner of Professional Football, 410 Park Aveune, New York, N.Y.; H. V. Sherrill, partner, Shields & Company, 44 Wall Street, New York, N.Y.

The other officers of Chris-Craft are: at 600 Madison Avenue – Victor Oristano and Winslow Maxwell; at 440 Grand Avenue, Oakland, California – Bernard Art; and at 915 N. LaBrea Avenue, Los Angeles, California – John Hopkins.

CHRIS-CRAFT INDUSTRIES, INC.
600 Madison Avenue
New York, N. Y. 10022

January 24, 1969

DEFENDANT'S

EXHIBIT
U. S. Dist. Court
S. D. of N. Y.

MAR 18 1971

SCHEDULE 13D - INFORMATION TO BE INCLUDED IN
STATEMENTS FILED PURSUANT TO RULE 13d-1 or 14d-1

Item 1 - Security and Issuer

Common stock of Piper Aircraft Corporation
Lockhaven, Pennsylvania

SECURITIES AND EXCHANGE COMMISSION
RECEIVED
JAN 23 1969
DIVISION OF CORPORATION FINANCE

Item 2 - Identity and Background

(a & b) Chris-Craft Industries, Inc.
600 Madison Avenue
New York, New York

(c) A Delaware corporation engaged in the manufacture of pleasure boats, ownership and operation of VHF television stations in Los Angeles, California, Minneapolis-St. Paul, Minnesota, and Portland, Oregon, manufacture and sale of a variety of plastic and latex flexible foams, plastic flexible films, organic chemicals, carpet, carpet yarns and carpet underlay and cotton batting. It also owns 50% of Montrose Chemical Corporation of California, the world's largest manufacturer of DDT.

(d & e) The Officers and Directors of Chris-Craft Industries, Inc. and their business and residence addresses are as follows:

Name	Business Address	Residence
Herbert J. Siegel	600 Madison Avenue, New York, New York	190 East 72nd Street, New York, New York
Alfred L. Hollender	600 Madison Avenue, New York, New York	911 Park Avenue, New York, New York
James J. Rochlis	600 Madison Avenue, New York, New York	150 East 69th Street, New York, New York
H. H. Coll	555 SW 12th Avenue, Pompano Beach, Florida	2580 S.E. 8th Street, Pompano Beach, Florida
C. Leonard Gordon	600 Madison Avenue, New York, New York	15 West 81st Street, New York, New York
Lawrence R. Barnett	600 Madison Avenue, New York, New York	Timber Trail, Rye, New York
John Hopkins	915 N. LaBrea Avenue, Los Angeles, California	11288 Dona Lisa Drive, Studio City, California

Name	Business Address	Residence
Victor Cristano	600 Madison Avenue, New York, New York	548 Alda Road, Mamaroneck, New York
Bernard Art	440 Grand Avenue, Oakland, California	49 Corliss Drive, Moraga, California
Winslow Maxwell	600 Madison Avenue, New York, New York	411 West 21st Street, New York, New York
Robert B. Hunter	600 Madison Avenue, New York, New York	400 East 56th Street, New York, New York
Armand G. Erpf	40 Wall Street, New York, New York	550 Park Avenue, New York, New York
Louis C. Goad	271 Lone Pine Road, Bloomfield Hills, Mich.	271 Lone Pine Road, Bloomfield Hills, Mich.
David F. Linowes	866 Third Avenue, New York, New York	9 Wayside Lane, Scarsdale, New York
Alvin R. Rozelle	410 Park Avenue, New York, New York	16 Sutton Place, New York, New York
H. V. Sherrill	44 Wall Street, New York, New York	1 Sutton Place South, New York, New York

(d & e) The occupations and positions of each of the above named Officers and Directors for the past ten years are as follows:

Herbert J. Siegel

Chairman of the Board - The Seeburg Corporation, Chicago, Illinois - 1958-1960
Chairman of the Board - Centlivere Brewing Corporation, Ft. Wayne, Indiana - 1959-1961
Chairman of the Board - General Artists Corporation, New York, New York - 1961-63
President - General Artists Corporation - 1961-1963
Board of Directors - Paramount Pictures Corporation, New York - 1965-1966
Board of Directors - Chris-Craft Industries, Inc., New York - 1967 to present
Chairman of the Board - Baldwin-Montrose Chemical Company, Incorporated from 1961 until merger with Chris-Craft in June 1968
Chairman of the Board and President - Chris-Craft Industries, Inc. - December 1967 (successor by merger to Baldwin-Montrose Chemical Company, Incorporated)

Alfred L. Hollender

Executive Vice President & Director of Radio & TV Activities, Grey Advertising, Inc. - 1952-1964
President, Grey International, a Division of Grey Advertising, Inc. - 1964 to 1968
Executive Vice President & Director, Chris-Craft Industries, Inc. - elected October, 1968 to present

James J. Pochlis

President & Chief Executive Officer of Baldwin-Montrose Chemical Company, Incorporated - 1959-1968
Vice President, President of Baldwin-Montrose/NAFI Division of Chris-Craft Industries, Inc. and Director of Chris-Craft - 1968 to present

H. H. Coll

President of Chris-Craft Corporation, Florida - 1958 to present
Vice President & Director of Chris-Craft Industries, Inc. - 1965 to present
(Chris-Craft Corporation became a division of Chris-Craft Industries, Inc. in December, 1965)

C. Leonard Gordon

Attorney with the law firm of Cravath, Swaine & Moore, New York - 1955-1960
Attorney with the law firm of Delson, Levin & Gordon, New York - 1960-1961
Attorney with the law firm of Marshall, Bratter, Greene, Allison & Tucker - New York - 1961-1968
Vice President & General Counsel of Baldwin-Montrose Chemical Company, Incorporated - 1964-1968 when said company was merged with Chris-Craft Industries, Inc., where he remains as Vice President and General Counsel

Lawrence R. Barnett

President, Music Corporation of America - 1958-1963
Chairman of the Board, Chief Executive Officer and Director of General Artists Corporation - 1963-1966
Director of Baldwin-Montrose Chemical Company, Incorporated - 1963-1968 when said company was merged with Chris-Craft Industries, Inc., where he remains a Vice President and Director

John Hopkins

Assistant General Manager, KFJZ TV, Fort Worth, Texas - 1958-1960
President, General Manager, KTVT, Dallas/Ft.Worth, Texas - 1960-1962
President, Broadcast Division, Chris-Craft Industries, Inc., Oakland, California - 1962 to present

Victor Oristano

Public Relations Consultant with Oristano Associates, Inc. - 1958-1963, Oristano-Pearsall Associates, Inc. - 1963-1967, and Oristano-Pearsall Associates, Division Farley-Manning Associates, Inc. - 1967 to 1968
Vice President of Chris-Craft Industries, Inc. - August 31, 1968 to present

Bernard Art

Audit Staff, Touche, Ross, Bailey & Smart, San Francisco, California - 1958-1961
Controller, Chris-Craft Industries, Inc. - 1961-1967
Controller & Vice President, Chris-Craft Industries, Inc. - 1967-1968
Vice President & Assistant Treasurer, Chris-Craft Industries, Inc. - 1968 to present

Winslow Maxwell

Budget Manager, General Dynamics Corporation, New York - 1958-1961
Treasurer-Controller, NEW YORK HERALD TRIBUNE, New York - 1961-1966
Controller, Bunge Corporation, New York - 1966-1967
Vice President and Controller, Chris-Craft Industries, Inc., New York - 1967 to present

Robert B. Hunter

Secretary-Treasurer of Chris-Craft Industries, Inc. - 1958 to present

Armand G. Erpf

Partner, Loeb, Rhoades & Co., New York - 1958 to present

Louis C. Goad

Executive Vice President and Director of General Motors Corporation from 1958 to retirement in 1966

David F. Linowes

For more than five years prior to 1963 associated with the accounting firm of Leopold & Linowes
Partner, S. D. Leidesdorf & Co. - 1963-1965
Partner, Laventhol, Krekstein, Horwath & Horwath - 1965 to present

Alvin R. Rozelle

General Manager, Los Angeles Rams Football Club - 1957-1960
Commissioner of Professional Football - 1960 to present

H. V. Sherrill

Partner, Shields & Co. - 1958 to present

None of the aforesaid persons has ever been convicted in a criminal proceeding.

Item 3 - Source and Amount of Funds or Other Consideration

General funds of Chris-Craft Industries, Inc. It is noted that in December, 1968, Chris-Craft obtained approximately $25,500,000 from a public underwritten subscription offering of its 6% Convertible Subordinated Debentures Due 1989. To the extent additional funds are required, Chris-Craft proposes to borrow from banks on a short-term basis. Arrangements for such borrowings have not yet been made. The total purchase price of the shares referred to in Item 5 below was $11,908,598.81, which has been paid from the general funds of Chris-Craft.

Item 4 - Purpose of Transaction

Chris-Craft Industries, Inc. is purchasing the shares of Piper Aircraft Corporation for investment with a view to control of Piper, but does not presently have any specific plan or proposal to liquidate Piper or to acquire control of Piper, sell its assets or merge it with any other companies or make any other major change in its business or corporate structure. If this offer is successfully completed, Chris-Craft will give consideration to some form of combination between it and Piper.

Item 5 - Interest in Securities of the Issuer

Since January 1, 1969, Chris-Craft Industries, Inc. has acquired 200,500 shares of Piper Aircraft Corporation Common Stock, of which 99,400 shares were acquired in the open market and 101,100 shares from an institutional investor in a negotiated transaction. To the best of the knowledge of Chris-Craft, no officer, director, or person who may be deemed to control Chris-Craft or any associate of the foregoing has effected any transaction in Piper Common Stock during the past sixty (60) days.

Item 6 - Contracts, Arrangements, or Understandings with respect to Securities of the Issuer

None.

Item 7 - Persons Retained, Employed or to be Compensated

No person is being retained or employed by Chris-Craft Industries, Inc. to make solicitations or recommendations to security holders of Piper Aircraft Corporation. However, securities dealers will be paid $1 for each share sold to Chris-Craft pursuant to solicitations by such dealers.

Item 8 - Material to be Filed as Exhibits

(1) Offer to purchase 300,000 shares of Common Stock of Piper Aircraft Corporation by Chris-Craft Industries, Inc.

(2) Letter of Transmittal.

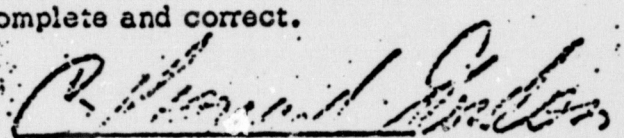
(3) Newspaper advertisement (same as 1 and 2).

(4) Press release issued January 23, 1969.

SIGNATURE

I certify that to the best of my knowledge and belief the information set forth in this statement is true, complete and correct.

January 22, 1969
Date


Signature

DEFENDANTS'
EXHIBIT T

	1968	1967
Net Earnings Av Int Charge		
Available for int charges	8648	9833
Int Payable on Tbl debt	2753.5	2753.5

already over restriction!

Amt Available Other Invest

AT 11/30/68	$8,163
ADD DEB	25
	33 MM
Other Invest - now	18 MM
Cushion	15 MM
300,000 Pfd at @ 66	19.8

Ex: If You will Block restrict enough
next 22,000 shares Pfd
If we sell 15 MM Debt + Foreign ck's we will
be able to purchase 150,000 shs at 68 over 3 yrs total

Transcription of Exhibit T

Net Earngs Av Int Chrge

	1968	1967
Available for int chrs	8648	9833
Int payable on Total debt	2753.5	2753.5

already over restriction!

Amt Available Other Invest

AT 11/30/68	$ 8,163
ADD DEB	25
	33 MM
Other Invst-NOW	18 MM
Cushion	15 MM
300 Piper @ $66	19.8

∴ You will reach restriction after

next 227,000 shares Piper

If we get 15 MM sub debt & everyone OK's we will be able to purchase 150,000 shares at 68 over 300,000 tender

DEFENDANTS' EXHIBIT V

720-74

MEMORANDUM

FROM: Timothy P. Reames DATE: March 30, 1969

TO: John E. Flick RE: Distribution of Minority Interests

RECEIVED
MAR 31 1969
Office of JOHN E. FLICK

You propose to distribute approximately 15 per cent of the stock of the Bangor and Aroostook Railway Co., to the holders of the common stock of BPC and have asked us to determine how this should be accomplished.

CORPORATE STRUCTURE

The Railroad is a subsidiary of BPO (98+%), which is a subsidiary of BPC. In order to permit BPC to distribute the stock of the Railroad, it would first be necessary to make BPC the direct owner (or preferably the indirect owner through stock in a single business holding company) of the stock of the Railroad. (A distribution of the stock of a BPO subsidiary to the BPC stockholder would result in a dividend from BPO to BPC.) In order to minimize ICC problems, the transfer of ownership of the railroad stock would be from BPO to a new railroad holding company. Stock of the holding company whose only asset would be stock of the railroad would be distributed to the stockholders of BPC.

AFFECT ON STOCKHOLDERS OF BPC OF RECEIPT OF STOCK OF RAILROAD HOLDING COMPANY.

The Internal Revenue Code provides that any distributi of property which would include stock of a subsidiary, by a corporation to its stockholders pro rata, is a taxable dividend. There are several exceptions to this rule but they are applicable only if "control" is relinquished - usually through transfer of 80 per cent of the stock of a subsidiary. The distribution of our warrants was tax free because they are treated like a stock dividend in a company's own stock, and accordingly non taxable by statute.

The amount of the dividend taxed would be the fair mar value of the stock at the time it was received. Whether it wou be ordinary income, or a return of capital would depend on whet or not Bangor Punta could, as in the past, show a deficit in current and cumulative earnings and profits.

ONLY COPY AVAILABLE

METHOD OF ADJUSTING CORPORATE ORGANIZATION TO PERMIT DISTRIBUTION OF RAILROAD STOCK

A. Tax Free

The method that appears initially to be most attractive would be to organize a railroad holding company as a subsidiary of BPC, and transfer stock of the railroad from BPO to the new railroad holding company. This would minimize ICC involvement and could be accomplished without creating dividend income to BPC.

The distribution of the stock of the railroad to the railroad holding company, would be accomplished by a "spin-off" of the stock of the railroad railroad by BPO to BPC. Since BPO distributes more than 80 per cent of the stock of the railroad and meets the other requirements of § 355 of the Internal Revenue Code, it would accomplish this without tax consequences. BPC could then contribute the stock of the railroad to the new railroad holding company, tax free, under § 351, and we would have achieved the desired corporate structure. The IRS has held that a spin-off as proposed may be taxed as a dividend if stock spunoff was immediately sold. Their feeling is that this is essentially equivalent to a dividend and should be taxed as such. This should be kept in mind if we contemplate an immediate sale of the stock of the railroad holding company. The distribution by BPC to its stockholders would not violate § 355. Rev. Rul 62-138, 1962-2 CB95.

B. Dividend Distribution

As an alternative, the stock could be transferred as a dividend from BPO to BPC. No taxable income would result to BPO since it files a consolidated tax return, but it would add to the earnings and profits of BPC which could, in effect, bring an end to the current treatment of dividends as a return of capital rather than taxable as ordinary income.

The principal problem with this treatment is that, as will be explained below, since we do not know the basis of the railroad stock, we could not determine the amount of dividend.

C. Sale of Stock

The transfer could also be accomplished by a sale of the stock of the railroad to BPC. The difficulty would be that we could not have a sale at cost, and, therefore, take the risk of having a substantial taxable gain.

SUBSEQUENT SALE OF STOCK OF RAILROAD HOLDING CO.

The distribution by BPC of the stock of railroad holding company to its stockholders, would not result in taxable gain or loss to BPC. However, any subsequent sale would result in a capital gain on the difference between its basis in the stock and the sales price. The original basis of the Bangor and Aroostook Corporation in the railroad would carry over to BPC's current basis in railroad holding company. The problem presented in determining the basis of the railroad company stock is brought about by the fact that in the original exchange of railroad stock for stock of the holding company, the holding company's basis in the railroad was the same as that of the railroad stockholders who exchanged their stock. An attempt was made to determine the basis of the exchanging stockholders, but few responded.

One method of minimizing the tax impact, would be to permit the railroad to sell some of its stock and use the proceeds to pay its debt to BPC or BPC. We could also attempt to create debt on the transfer to railroad holding company, but such debt could not exceed the basis of the railroad stock and any repayment might be treated as a dividend.

An attempt could be made to obtain an established basis by liquidating railroad tax free, under Section 332 (b)(1) of the Internal Revenue Code. The basis of the assets would then carry over, and in a subsequent transfer of the assets to a new corporation, the basis of the stock in the new corporation would be the basis of the assets. This, in my opinion, then would have little chance of success, unless we could establish a valid business purpose for the transaction. It could also present ICC problems.

DEFENDANTS' EXHIBIT W

28

DATE: July 2, 1969

FROM: Timothy P. Reamer

RE: Bangor & Aroostook Railroad Company

TO: Nicolas M. Salgo
W. Gordon Robertson
David W. Wallace
John E. Flick
Stephen Galle

The following will summarize certain of the tax considerations and the possible methods of transferring the assets of the railroad. By way of background, the railroad owns the following assets with the cost basis and values as of March 31, 1969:

	ICC Book	IRS Book	Debt	FMV*	FMV Net of Debt	Gain or (Loss) on sale for tax purposes
Equipment Rolling Stock	$33.2M	$17.M	$18.0M	$21.2M	$3.2M	$ 4.2M
Right of Way Non depreciable	7.0	**	9.9	11.7	1.8M	($17.7M)
Depreciable	22.4	**			$5.0M	($13.5M)

* Estimated total FMV less debt would be approximately $5M as determined by Mr. Stroud and adjusted to existing proposal.

** IRS Book approximately the same as ICC Book.

ALL FIGURES ESTIMATED AND SUBJECT TO ADJUSTMENT

PROPOSED METHOD OF DISPOSITION

1. SALE OF ASSETS

If all of the assets were sold for approximately $5 million and the tax basis and values are as set forth above, there would be an immediate recognition to the railroad of a $13.5 million net loss which loss would be deductible against the operating income of ICC on its consolidated return ($4.2 million gain on the sale of the Rolling Stock and $17.7 million loss on the right of way for a net of $13.5 million). In computing consolidated taxable income of Bangor Punta, this loss can be carried back two years and forward three years until completely utilized. The gain on the sale of the Rolling Stock would be ordinary income because of the recapture of depreciation provisions. Such gain would be offset by the sale of the Right of Way.

The purchaser would receive a new tax basis in the Rolling Stock equal to the purchase price paid plus the liabilities assumed; in this illustration $21.2 million in the Rolling Stock and a basis in the Right of Way of $11.7 million. The cost of the Rolling Stock would be depreciable over its remaining useful life.

The principal problem involved with this arrangement would be the recapture of investment tax credit. Under the current tax laws, if property on which investment tax credit has been taken is sold in a taxable transaction, certain portions of the investment tax credit must be repaid. We have made a preliminary determination that the amount of recapture (tax dollars repayable) would be approximately $1,200,000.

(This would also involve additional problems of obtaining ICC consent and consents to transfer the loans made directly to the railroad.)

2. SELLING OF RIGHT OF WAY AND LEASING OF PART OF ROLLING STOCK

As an alternative to (1) above and in an effort to avoid recapture of investment credit and depreciation, we might consider selling the railroad Right of Way and leasing the Rolling Stock. If the Rolling Stock were leased rather than sold, there would be no recapture of investment credit or depreciation and no gain recognized on the transfer. We could take the loss attributed to the sale of the Right of Way which in the above illustration would be about $17.7 million. If it was desirable to dispose of all railroad assets, we could in the next taxable year dispose of the stock of the railroad and its only asset, the leasehold interests. It could, in all probability, be sold to a third party friendly to the purchaser and thereby protect the purchaser on the residual rights in the leased property.

The purchaser would be entitled to deduct the lease rentals as paid. The lease rentals should be approximately equal to the amount of the depreciation deductible if the property were purchased and the purchase cost depreciated over the remaining useful life of the property.

3. SALE OF THE STOCK OF THE RAILROAD

If the stock of the railroad were sold, it may be difficult to compute the amount of loss. Under the revenue laws, Bangor Punta's cost basis in the stock of the railroad would be the same as the basis of the stock to the exchanging former shareholders of the railroad. An attempt was made at one time to determine the basis of the stock of the railroad by contacting the former shareholders of the railroad. Shareholders with approximately 30 percent of the stock responded indicating their basis was $1,700,000. in the aggregate. It is not clear how we would determine the remaining basis though it is possible that we would give the remaining shares the same cost per share as the shares for which we have received information. Based on this our total cost would be $5,400,000 and the loss $400,000. An additional problem is presented by the fact that it is not entirely clear whether the loss on the sale of the stock would be a capital loss or a loss deductible against ordinary income. Under the revenue laws, loss on the sale of the stock of a subsidiary such as the railroad would be deductible as ordinary loss if more than 80 percent of the income of the corporation was from sources other than rents, royalties, and similar income. As the railroad derives substancial revenue from the rental of equipment, it may not qualify for this desirable treatment.

Finally, if the purchaser tried to obtain a stepped-up basis for depreciation of the assets, it would be necessary to liquidate the railroad which would give rise to the recapture of investment credit in excess of $1.2 million. This would be payable by the railroad and could be charged against Bangor Punta or the purchaser based on what we provided in the contract of sale.

4. LEASE OF ALL ASSETS

In 1963 serious consideration was given to an involved sale and lease back and subsequent sale of the leasehold interest rather than a sale of the assets. I understand that the reason for this was to defer recognition of the loss since there was some question of whether it could be fully utilized at that time.

Bangor Punta's taxable income for the year ended September 30, 1968, was in excess of $5 million and with the carry-forward and carry-back provisions there would be no problem in utilizing the loss. This lease transaction

would therefore no longer seem to be a valid method of transferring the assets except for the limited purpose set forth in (2) above. Under the lease arrangement, the purchaser may get limited advantageous treatment through the deduction of lease costs on the railroad Right of Way.

CONCLUSION

Based on the above and assuming we could obtain appropriate approvals of ICC and of the financial institutions which have made loans directly to the railroad, it would appear that the most efficient method of handling the transaction would be a combination sale of certain assets and leasing certain assets as provided in (2) above. Under this arrangement we would obtain a maximum loss at the earliest possible date without substantial cost of the recapture of the investment tax credit.

The purchaser would get essentially the same deductions through lease rentals as would have been available through depreciation in ownership and since the leasing of railroad equipment is an accepted practice in the industry it should not present any unusual problems.

BPC/TPR/km

DEFENDANTS EXHIBIT X

BANGOR PUNTA CORPORATION

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MEMORANDUM

FROM: John E. Flick

DATE: August 29, 1969

TO: Timothy P. Reames

RE: Bangor and Aroostook

cc: David W. Wallace

Mr. Salgo will be returning to the city next week. Therefore, I think that it is appropriate that you see Mr. Salgo and Mr. Wallace about the Bangor and Aroostook matter so that a decision can be made on it as soon as possible.

BPC/JEF/bps

34 DEFENDANTS' EXHIBIT Y

BANGOR PUNTA CORPORATION 729-730 MEMORANDUM

CONFIDENTIAL

FROM: C. P. Priddle

DATE: September 10, 1969

TO: H. H. Salge
S. Galle
T. Reames

RE: Tax Basis of The Bangor and Aroostook Railroad

On Monday and Tuesday of this week Owen Gould and myself visited the Interstate Commerce Commission in Washington, D. C. to inspect the Bangor and Aroostook Railroad's records on file there for the period 1892 to June 30, 1916, the latter date being the date of ICC revaluation of Assets for tariff purposes. Our objective was to arrive at an opinion as to whether or not actual costs could be ascertained. As a result of our study and review of the records put at our disposal, we have concluded that actual costs for tax purposes can be determined for the most part, subject to certain qualifications as set forth in this memo.

We have attached a summary schedule of our findings, which discloses an ICC valuation figure of $29,400,160.00 (excluding land) as at June 30, 1916. The actual carrier's costs, as at the same date (including land), amount to $28,138,150.63. From information at hand, we believe the cost of the land will be in the vicinity of $1,000,000.00. Therefore, in reconciling the ICC figures to actual costs, in the final analysis the ICC appraisal will exceed the actual costs by approximately $2,300,000.00, as at June 30, 1916. Since the detailed supporting schedules which we reviewed in Washington were so voluminous, we arranged to have the ICC duplicate them and they will be forwarded on to us.

Please note that on the attached schedule there is a value of $4,516,814.48 which cannot be broken down into "roadway" property and "equipment". Our suggestion in this regard is to contact an IRS Engineer in Washington, D. C., hopefully prior to our completion of all calculations, in an attempt to "feel him out" in regard to securing a determination as to the distribution of this amount. We should also attempt to secure his approval of the old records on hand at ICC as our starting tax basis in determining our ultimate costs relative to the sale of assets.

In order to pursue this matter further, the following steps will have to be accomplished as expeditiously as possible:

1. The Bangor and Aroostook Railroad engineering staff will have to determine which items of roadway property and equipment (Included on the attached schedule and amounting to $28,138,150.63), are still on hand at September 30, 1969.

2. A further determination, based on actual cost, of all subsequent additions from June 30, 1916 to September 30, 1969, less their respective retirements, will have to be made. Owen Gould informs me that this project is materially complete through the year 1963.

730A

BANGOR PUNTA CORPORATION

MEMORANDUM

N. M. Salgo
S. Galle
T. Reames

September 10, 1969

3. We should also analyze the original capitalization of the railroad, as it is reflected in the ICC records on hand at Washington, D. C. All receipts from stock and bond issues, debt evideness, etc. would be reconciled to the original costs expended of $28,138,150.63.

4. If we sell assets, we are also faced with the problem of how to distribute or apply the selling price to the various type of assets. While we may have an overall loss, we may well have #1245 and #1250 gains which can be applied to #1231 losses, providing we reduce the #1231 losses by any other #1231 gains we might have, before applying the net #1231 loss against the #1245 and #1250 gains. The purchaser of the railroad may also have a similar problem in distributing his purchase price over the assets. We would also suggest that this matter be discussed with the IRS engineers, in an attempt to arrive at a basis that will be acceptable to an IRS Agent subsequently upon Audit of the year in which the sale is reported.

5. Other items to be determined are investment credit recapture treatment and depreciation recapture. If we have an overall loss it is possible there will be no depreciation recapture unless we have other #1231 gains to apply to the #1231 loss, before we apply #1245 and #1250 gains (if any) against the net #1231 loss arising from this transaction.

6. When all our calculations are complete, I would recommend we attempt to secure a final determination from the IRS Engineers that our basis as submitted is acceptable.

Now that we know what steps have to be taken, we should now pursue a course to insure that all efforts are co-ordinated to arrive at our ultimate goal expeditiously. May I suggest a meeting be held between BPC and BAR personnel to assign specific responsibilities and to set up the necessary perimeters within which we can accomplish the necessary work without delay.

Cyrus P. Priddle

CC: T. D. Stephenson
O. J. Gould
Tax Files

BANGOR AND AROOSTOOK RAILROAD COMPANY

ICC Valuation VS. Carriers' Costs

As Set Forth in Interstate Commerce Commission Volum #97 (Feb.-July 1925)

As At June 30, 1916

	Total	Road	Equipment
ICC Valuation:			
Cost of Reproduction - New (BAR)	$24,744,586	$18,595,173	$6,149,413
Cost of Reproduction - New (No. Maine Seaport)	4,655.574	4,404,346	251,228
Totals (Excludes Land)	$29,400,160	$22,999,519	$6,400,641
Carrier's Costs:			
Original Construction	$ 5,103,923.03	$ 4,180,002.29	$ 923,925.74
Fish River Railroad Co.	1,204,672.71	1,204,672.71	-
Schoodic Stream R. R.	296,404.55	296,404.55	-
Van Buren extension	661,393.58	540,421.08	120,972.50
Medford extension	1,013,205.37	1,013,205.37	-
Washburn extension	1,482,231.76	1,482,231.76	-
St. John River extension	1,675,010.00	1,675,010.00	-
Addition and Betterments	7,409,503.36	2,856,441.08	4,553,062.28
Sub-Totals	$18,846,349.36	$13,248,388.84	$5,597,960.52
ADD: 4 Predecessor companies - All records destroyed by fire, detailed breakdown not available:*			
Bangor and Piscataquis R.R.			
Bangor Katahdin Iron Works			
Aroostook Northern R.R.			
Patten and Sherman R.R.	4,516,814.48	* ?	* ?
Sub-Total	$23,363;163.84		
ADD: Leased line - Northern Maine Seaport leased in 1916 - Subsequently acquired	4,774,986.79	$ 4,530,209.75	$ 244,777.04
Total (Includes Land)	$28,138,150.63		

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EFENDANTS'
HIBIT Z

BANGOR AND AROOSTOOK RAILROAD 732

Ex 2

PROJECTION OF SELLING PRICE, TAX BASIS AND PROFIT OR (LOSS) ON SALE OF NET ASSETS

Debt + Cr for w
12-2-70
ptk

Schedule "B"

	Total	Land	Roadway Property	Equipment	Other Asset Realization
Selling Price:					
Cash	$ 5,000,000		$ 1,100,000	$ 1,900,000	$ 2,000,000
Note (2)	26,900,000		9,900,000	17,000,000	
Debt	$ 10,100,000				3,500,000
Note (3)	3,500,000				
Other Liabilities	6,600,000				
Note (4)					
Less: Deferred Federal Income Taxes					
Total Selling Price of Assets	$ 35,400,000		$ 11,000,000	$ 18,900,000	$ 5,500,000
Tax Basis - Note (1)				$ 300,000	
RAR's - 1964, 1965, 1966 (Est.)	$ 300,000				
Tax Costs as projected - Notes (5) (6) (7)	48,735,000		28,317,000	14,918,000	5,500,000
Add: Land	1,065,000	1,065,000			
Transfer: All land to Roadway Property		(1,065,000)	1,065,000		
Total Tax Basis	$ 49,800,000	$ -0-	$ 29,382,000	$ 14,918,000	$ -0-
Net Profit or (Loss) for Tax Purposes	$ (14,400,000)		$ (18,382,000)	$ 3,982,000	

(The attached notes are an integral part of this report. They stipulate the qualifications, assumptions and other procedures followed in the compiling of supporting schedules from which this projection was casted.)

DEFENDANTS' EXHIBIT 2

733

BANGOR AND AROOSTOOK RAILROAD COMPANY

PROJECTION OF POSSIBLE LOSSES RELATIVE TO CONTEMPLATED SALE OF RAILROAD ASSETS AND AFFECT OF SALE UPON CASH FLOW

Schedule "A"
Most Favorable
Result to BPC
(Schedule "B" Attached)

Selling Price:		
Cash		$ 5,000,000
Debt on Roadway Property and Equipment		26,900,000
Other Liabilities (Per BAR Balance Sheet, June 30,1969)		3,500,000
Total Selling Price		$ 35,400,000
Tax Basis (Cost):		
Roadway Property		
(a) At ICC Valuation-On Hand June 30,1916, still on Hand September 30,1969, as adjusted	$12,690,600	
(b) Additions-at Actual Cost, June 30,1916 to December 31, 1968	21,370,700	
(c) Additions- Estimated for Fiscal Year Ended September 30, 1969	125,000	
(d) Land- At Cost	1,065,000	
Total Cost of Roadway Property	35,251,300	
Less: Accumulated Tax Depreciation (Est.)	(5,869,300)	
Net Book Value of Roadway Property	29,382,000	
Equipment		
(a) Net Book Value of Equipment, Cost Less Tax Depreciation Taken	14,618,000	
(b) Value of Equipment Expensed on Tax Returns for 1964, 1965, 1966, which the IRS Recommends Capitalizing. (Currently under Litigation in Appelate Division, Boston.) (Est.)	300,000	
Other Assets (Per BAR Balance Sheet, June 30, 1969)	5,500,000	
Total Costs		49,800,000
Net Profit or (Loss) - For Tax Purposes		$ (14,400,000)
Cash Flow Result of Sale of Assets		
Tax Saving in Dollars at 52% Effective Rate		$ 7,488,000
Less: Depreciation Recapture (Est. Tax Affect)		(500,000)
Investment Credit Recapture (Est.)		(1,300,000)
Net Tax Saving - As Projected		5,688,000
Add: Cash Proceeds of Sale		5,000,000
Net Cash Realized on Sale of BAR Assets As Projected		$ 10,688,000

Second Most Favorable Result to BPC		Least Favorable Result to BPC
	$ 5,000,000	$ 5,000,000
	26,900,000	26,900,000
	3,500,000	3,500,000
	$ 35,400,000	$ 35,400,000
(50%) 6,345,300		(0%) $ -
21,370,700		21,370,700
125,000		125,000
1,065,000		1,065,000
28,906,000		22,560,700
(4,369,300)		(3,669,300)
24,536,700		18,891,400
14,618,000		14,618,000
-		-
5,500,000		5,500,000
	44,654,700	39,009,400
	$ (9,254,700)	$ (3,609,400)
	$ 4,812,444	$ 1,876,888
	(500,000)	(500,000)
	(1,300,000)	(1,300,000)
	3,012,444	76,888
	5,000,000	5,000,000
	$ 8,012,444	$ 5,076,888

BANGOR AND AROOSTOOK RAILROAD

Notes to Projection of Selling Price, Tax Basis and Profit or (Loss) on Sale of Net Assets

734

Date: 9-19-69

(1)

The Bangor and Aroostook Railroad balance sheet at June 30, 1969 (prepared internally) was used as a starting point in determining values of debt and other liabilities included in the computation of projected selling price.

(2)

The $5,000,000 cash payment involved in the transactions was arbitrarily distibuted as follows, based on the assumptions as noted:

Other Assets (Net of Other Liabilities)	$2,000,000

This item includes cash, accounts receivable, materials and supplies, investments, (in affiliates and others) etc., among other assets. Netted against the value of these assets are other liabilities such as accounts payable, accrued liabilities and other liabilities with the exception of direct debt incumberance on the roadway and equipment properties. It was assured that these items would be transferred at cost, and there would be no profit on their sale.

The remaining $3,000,000 of the $5,000,000 cash payment was allocated 64% to equipment and 36% to roadway property. The same percentage used in Mr. Hutchins' memorandum of August 15, 1969, wherein he allocated $3,200,000 to equipment and $1,800,000 to roadway.	$3,000,000
Total Cash Consideration	$5,000,000

(3)

The assumption of debt, that represents part of the selling price, was allocated according to the type of property that represents part of the selling price, was allocated according to the type of property that secured the particular debt, namely:

Roadway Property	$9,900,000
Equipment	17,000,000
Total Debt Assumable	$26,900,000

(4)

Other liabilities amounting to $10,100,000 were reduced by deferred Federal income taxes of $6,600,000, to arrive at a portion of the selling price	$ 3,500,000

The reasoning behind this is that if the Bangor and Aroostook Railroad sold off their assets there would be no further incidence of their ever having to pay off the $6,600,000. Therefore, for our purposes, we have completely removed this amount since under these circumstances it would not be a realistic liability.

Tax Basis or Cost was arrived at as follows:

Roadway Property-On Hand June 30, 1916 - Still On Hand December 31, 1968

From records supplied by the Houlton, Maine engineering office of the BAR, we were able to ascertain the original ICC Appraisal figures as at June 30, 1916 by the ICC Valuation Class. All retirements from 1916 through 1968 were effected on a schedule, and we were able to ascertain that of almost $23,000,000 on hand at June 30, 1916, there still remained some $13,795,000 on hand at December 31, 1968. We applied a percentage of 92% to the $13,795,000 and arrived at a value of property on hand at June 30, 1916 and still on hand at December 31, 1968 of..... $ 12,690,600
(92% worked out to be the ratio of carrier's costs to the ICC appraisal valuations at June 30, 1916.) Included in these calculations were some estimates of the breakdown between roadway property and equipment as it related to four railroads whose records were destroyed by fire and this data is not available. The Bangor and Piscataquis Railroad breakdown was available (6.5% for equipment and 93.5% for roadway property). Costs of $4,516,814.48 were distributed in this ratio.

Roadway Property-At Actual Cost-From June 30, 1916 to December 31, 1968 $ 21,370,000

This figure represents actual costs of all roadway property acquired from June 30, 1916 to December 31, 1968, less all retirements during the same period of years. These items are set forth on a schedule prepared summarizing all BAR valuation orders #3.

Roadway Property-FY 9-30-69 Additions

The amount of additions to roadway property for FY 9-30-69, after consulting the railroad personnel, was estimated to be... $ 125,000

Total Projected Costs - Roadway Property	$ 34,186,000
Deduct: Accumulated depreciation to date (for tax purposes) on the above	(5,869,300)
Net Book Value (for tax purposes) as projected	$ 28,317,000
Add: Land Costs - per books (all lands)	1,065,000
Net Book Value (for tax purposes) as projected - Roadway and Land	$ 29,382,000

(6)

Equipment

Equipment was valued at cost, less depreciation and amortization to date, resulting in a net book value (for tax purposes) of..... $ 14,618,000

Other Assets

See Note (2) - This item includes all other assets with the exception of roadway, land and equipment property. It amounts to..... $ 5,500,000

Among the assets included in this amount are the investments of the BAR in subsidiary companies, at original costs of $336,572. However, we wish to point out that as of June 30, 1969, the net equity of these companies was as follows:

Bangor Investment Company	$ 1,220,432
Van Buren Bridge Company	129,721
Machine Accounting, Inc.	7,011
McKay Rock Products	442,503
	$ 1,799,667

(8)

A sale of assets would generate an Investment Credit Recapture "payback" to the Federal government of approximately $1,300,000.

(9)

Railroad management advises me that there is a prepayment clause amounting to approximately $7,000,000 if the assets are sold.

DEFENDANTS' EXHIBIT AA 737

BANGOR PUNTA CORPORATION MEMORANDUM

FROM: Timothy P. Reames

DATE: August 7, 1969

TO: Nicolas M. Salgo
W. Gordon Robertson
David W. Wallace
John E. Flick
Steve Galle

RE: Supplement to Memo of July 2, 1969 - Bangor and Aroostook Railroad Company

Mr. Salgo has proposed that the Railroad right of way be transferred to a subsidiary of the Railroad and the stock of that corporation (new RR) be transferred to BPO. The stock of the Railroad would then be sold. This would accomplish transfer of the assets of the Railroad within its existing entity. The assets would include the rolling stock, the franchises and related assets other than the right of way. The assets of the new RR corporation would then be leased to the buyer and in time sold.

Selling the stock of the Railroad containing the rolling stock and franchises and the assets should avoid the problem of recapture of investment tax credit of approximately $1,200,000 and recognition of gain on sale of the assets. If the basis in the stock of the Railroad could be substantiated at approximately $6,000,000 we would report a loss on the difference between the consideration paid for the stock and $6,000,000.

The right of way would be leased and later sold and the $17.7 Million loss would be recognized.

This arrangement would have the advantage of maximizing our loss on the sale and would eliminate the problem of recapture of investment tax credit. The Internal Revenue Service could attempt to combine the two transactions and thereby limit the amount of loss. Whether they would be successful would depend in part on how carefully we could separate the transactions.

It is also felt that this proposal would facilitate the transfer of the intangibles such as the Railroad franchise.

BPC/TPR/mo

CHART 1

Common Stock Comparison of Small Aircraft Companies

Capitalization -- (000) -- Date	Piper Aircraft Corporation 9/30/68		Chris-Craft Industries, Inc. 8/31/68??(c)		Beech Aircraft Corporation 9/30/68		Cessna Aircraft Corporation 9/30/68	
Long-Term Debt								
Senior	$10,000	22.2%	$ 18,283	21.0%	$ 866	0.9%	$ 35,164	26.1%
Subordinate	--	--	29,780(f)	34.2	30,000	34.2	20,000	14.9
Total Long-Term Debt	$10,000	22.2%	$ 48,063	55.2%	$ 30,866	35.1%	$ 55,164	41.0%
Convertible Preferred Stock	--	--	24,238	27.8	--	--	--	--
Common and Surplus *	35,070	77.8	14,769	17.0	56,962	64.9	79,350	59.0
Total Capitalization	$45,070	100.0%	$ 87,070	100.0%	$ 87,828	100.0%	$134,514	100.0%
* Intangibles Excluded		$ --		$ 27,572		$ --		$ --
Common Shares Outstanding		1,639,600		1,395,461		4,536,870		3,372,751
Common Equity at Market	$99,196		$ 71,866		$179,206		$177,069	
% Debt Including Common at Market		9.2%		33.3%		14.7%		23.8%
Book Value Per Share	$21.39		$10.98		$12.56		$25.53	
As % of Market Value		35.4%		20.5%		31.8%		44.8%
Liquidity Ratios:								
Current		4.60 - 1.00		4.30 - 1.00		3.24 - 1.00		4.00 - 1.00
Quick		0.49 - 1.00		2.41 - 1.00		0.12 - 1.00		0.45 - 1.00
As % of Total Assets:								
Cash and Equivalent		8.3%		37.1%		3.3%		8.1%
Receivables		9.2		6.9		28.4		15.0
Inventory		59.5		18.2		59.2		48.8
Investments and Advances		--		17.4		0.5		8.6
Deferred Charges		0.7		2.6		0.3		3.1
Net Plant		22.3		17.8		8.3		16.4
1968 Return on Average Common Equity		11.3%		6.1%		14.3%		17.0%
Income Account Data -- (000) -- Date		9/30		12/31--'64-'66 8/31--'67-'68(g)		9/30(b)		9/30
Sales--Operating Profit Margin								
1964	$54,378	18.1%	$ 75,459	12.2%	$107,199	6.7%	$122,942	12.9%
1965	69,086	18.7	83,534	13.8	122,483	8.9	148,419	16.1
1966	81,313	17.4	79,920	12.2	164,630	10.3	202,136	14.4
1967	80,439	9.5	86,895	11.7	174,106	10.2	213,615	11.7
1968	96,724	10.6	89,030	10.6	184,360	9.7	264,326	19.6
% Change/ Average: 1964 - 1968	+77.9%	14.4%	+18.0%	12.1%	+72.0%	9.4%	+115.0%	14.9%
Effective Tax Rate -- Net Income								
1964	52.2%	$4,481	47.0%	$3,307(h)	49.3%	$3,417	50.3%	$ 7,542
1965	50.0	6,198	47.2	4,400(i)	48.2	5,506	48.6	11,025
1966	49.5	6,871	45.1	4,003(j)	47.0	8,770	47.11	13,873
1967	48.6	2,991	46.9	3,998(k)	46.6	9,036	46.7	10,767
1968	53.1	3,863	47.3	3,488	51.6	7,795	51.3	12,812
% Change/ Average: 1964 - 1968	50.7%	-13.8%	46.7%	+ 5.5%	48.9%	+128.1%	48.8%	+69.9%
Depreciation -- Cash								
1964	$ 777	$5,258	$ 1,515	$4,822(h)	$ 869	$4,286	$ 1,628	$ 9,170
1965	804	7,002	1,524	5,924(i)	1,040	6,546	2,457	13,482
1966	935	7,806	1,568	5,571(j)	1,159	9,929	2,514	16,357
1967	1,568	4,553	1,553	5,551(k)	1,392	10,388	3,635	14,402
1968	1,687	6,162	1,688	5,176	1,735	9,530	3,977	16,789
% Change: 1964 - 1968	+117.1%	+17.2%	+ 11.4%	+ 7.3%	+99.7%	+233.2%	+144.3%	+83.1%

DEFENDANT'S EXHIBIT AE-2 738

Capital Expenditures/As % of Gross Plant											
1964	$ 1,860	13.9%	-- $	--	$ 1,203	6.8%	$ 1,868	5.6%
1965	2,191	20.0	--	--	1,667	8.8	4,122	11.1
1966	4,292	28.5	Not Available	--	2,241	10.6	8,048	17.9
1967	3,709	20.0	--	--	1,841	8.1	9,196	17.0
1968	2,236	10.9	--	--	4,482	15.9	5,684	9.7
% Change/ Average: 1964 - 1968	+77.5%	18.7%	-- %	-- %	+272.6%	10.0%	+204.3%	12.3%
Common Stock Data											
Per Share Data											
Net Earnings -- Cash Earnings -- Dividends											
1964	$2.77	$3.25	$1.00	$1.38(h)	$2.29(h)	$ -- #	$0.76	$0.97	$0.38	$2.27	$2.76 (a)	$1.00
1965	3.82	4.31	1.35	2.07(i)	2.99(i)	-- #	1.23	1.46	0.39#	3.30	4.04	1.15
1966	4.23.	4.79	1.50	1.90(j)	2.86(j)	0.25#	1.95	2.21	0.46#	4.14	4.88	1.35
1967	1.83	2.78	1.40	2.13(k)	3.45(k)	1.00	2.01	2.30	0.55#	3.20	4.28	1.40
1968	2.36	3.76	1.40	1.89	3.35	1.30(1)	1.72	2.10	0.68#	3.80	4.98	1.40
Average: 1964 - 1968	$2.53	$3.78	$1.33	$1.87	$2.99	# 0.51	$1.53	$1.81	$0.49	$3.34	$4.19	$1.26
Latest Twelve Months Earnings -- Date	$2.36 (9/30/68)			$2.11(11/30/68)			$1.72(12/31/68)			$3.80(9/30/68)		
Where Listed	NYSE			NYSE			NYSE			NYSE		
Price Range/Price-Earnings Ratios												
1964	44 1/2-25 3/4	16.1- 9.3		16 -10 3/4	(m) 11.8- 7.9		13 1/8- 9 1/8	17.3-12.0		32 1/4-22 3/4	14.2-10.0	
1965	59 1/4-33 5/8	15.5- 8.8		25 5/8-11 1/8	11.4- 5.4		22 1/4-10 1/2	18.1- 8.5		51 1/8-29	15.5- 8.8	
1966	69 3/4-43	16.5-10.2		27 3/8-14 3/8	15.8- 8.3		25 1/8-14 1/4	12.9- 7.3		57 1/2-30 3/4	13.9- 7.4	
1967	56 1/2-39 1/2	30.9-21.6		44 3/8-22	25.4-12.6		34 1/4-18	17.0- 9.0		51 -37 1/8	15.9-11.6	
1968 Through 1/23/69	72 1/4-48	30.6-20.3		51 1/2-26 1/2	27.2-14.0		47 -25 1/4	27.3-14.7		66 -40 1/4	17.4-10.6	
Current Price: 1/23/69	60 1/2	25.6		51 1/2	24.4		39 1/2	23.0		52 1/2	13.8	
Indicated Annual Dividend Rate	$1.40			$1.00			$0.75			$1.40		
Yield at Current Price	2.31%			1.94%			1.89%			2.67		
Payout: 1964-1968 Average		52.6%			27.3%			32.0%			37.7%	
1968		59.3			68.8			39.5			36.8	
Latest Twelve Months Earnings--Date		59.3%			47.4%			43.6%			36.8%	
Current Price Earnings -- Cash Earnings Ratios												
1964 - 1968 Average	23.9	16.0		27.3	17.2		25.8	21.8		15.7	12.5	
1968	25.6	16.1		27.2	15.4		23.0	18.8		13.8	10.5	
Latest Twelve Months Earnings	25.6	16.1		24.4	--		23.0	--		13.8	10.5	

FOOTNOTES:
(a) Two-for-one split subject to stockholders' vote 1/28/69.
(b) Data for 1967 and prior years excludes marketing subsidiaries.
(c) Pro forma for issuance of $26,000M 6% Convertible Subordinated Debentures '89. Proceeds to general funds.
(f) Includes $3,780M 7% Subordinated Debentures as well as $26,000M 6% Convertible Subordinated Debentures.
(g) Company changed year end to 8/31.
(h) Excludes gain $58CM ($0.53 per common share).
(i) Excludes gain $214M ($0.13 per common share).
(j) Excludes gain $962M ($0.59 per common share).
(k) Excludes loss $14M ($0.01 per common share).
(l) Includes $0.30 extra paid 12/29/67.
(m) On reported earnings.

1
2.75 - 3.00

@ +50% stock.
# 5% stock.
$ +2% stock.
0 +3-for-2 split.

1969 Est.
2.10

1969 Est
4.10 - 4.40

BANGOR PUNTA CORPORATION

MEMORANDUM

R. M. Salgo
S. Galle
T. Reames

September 10, 1969

3. We should also analyze the original capitalization of the railroad, as it is reflected in the ICC records on hand at Washington, D. C. All receipts from stock and bond issues, debt evideness, etc. would be reconciled to the original costs expended of $28,138,150.63.

4. If we sell assets, we are also faced with the problem of how to distribute or apply the selling price to the various type of assets. While we may have an overall loss, we may well have #1245 and #1250 gains which can be applied to #1231 losses, providing we reduce the #1231 losses by any other #1231 gains we might have, before applying the net #1231 loss against the #1245 and #1250 gains. The purchaser of the railroad may also have a similar problem in distributing his purchase price over the assets. We would also suggest that this matter be discussed with the IRS engineers, in an attempt to arrive at a basis that will be acceptable to an IRS Agent subsequently upon Audit of the year in which the sale is reported.

5. Other items to be determined are investment credit recapture treatment and depreciation recapture. If we have an overall loss it is possible there will be no depreciation recapture unless we have other #1231 gains to apply to the #1231 loss, before we apply #1245 and #1250 gains (if any) against the net #1231 loss arising from this transaction.

6. When all our calculations are complete, I would recommend we attempt to secure a final determination from the IRS Engineers that our basis as submitted is acceptable.

Now that we know what steps have to be taken, we should now pursue a course to insure that all efforts are co-ordinated to arrive at our ultimate goal expeditiously. May I suggest a meeting be held between BPC and BAR personnel to assign specific responsibilities and to set up the necessary perimeters within which we can accomplish the necessary work without delay.

Cyrus P. Priddle

CC: T. D. Stephenson
O. J. Gould
Tax Files

EARNINGS CONSEQUENCES

	PIPER 12/31/68	CHRIS CRAFT 12/31/68	PRO FORMA PIPER 51.66% OWNED BY CHRIS CRAFT
LTM EARNINGS	$ 3,235	$ 3,858	$ 5,529
LESS: PREFERRED DIVIDENDS	—	1256	1736 (2)
LTM EARNINGS AVAILABLE TO COMMON	3235	$ 2,602	$ 3793
ADJUSTMENTS: (1)			
(a) ESTIMATED INTEREST REQUIREMENTS ON COST OF ACQUIRING 547,016 SHARES OF PIPER (1)	—	(2,188)	(2,188)
(b) ADJUSTMENT FOR DIVIDEND INCOME AND INTEREST EXPENSE	—	1036	1,120 (1)
(c) DIVIDEND INCOME ON INVESTMENT IN PIPER	—	767	—
ADJUSTED LTM EARNINGS AVAILABLE TO COMMON	$ 3235	$ 2217	$ 2725
PER SHARE			
BEFORE CONVERSION	$ 2.41	$ 1.58	$ 1.94
AFTER CONVERSION	—	$ 1.59	$ 1.55 (3)

739A

FOOTNOTES

(1) SOURCE CHRIS CRAFT REGISTRATION STATEMENT

(2) ASSUMES ISSUANCE OF 300M SHARES $1.00 CONVERTIBLE PREFERRED

(3) ASSUMES 300M WARRANTS EXERCISE PRICE $5.5

CAPITALIZATION CONSEQUENCES

PRO FORMA CAPITALIZATION (000)	PIPER AIRCRAFT 12/31/68		CHRIS-CRAFT INDUSTRIES 1/31/69		Piper 51.66% owned by Chris Craft	
LONG TERM DEBT						
SENIOR DEBT	$ 10,000	21.9%	$ 18,099	15.6%	$ 28,099	15.5%
SUBORDINATED DEBT			29,506	25.5	29,506	16.3
TOTAL	$ 10,000	21.9%	$ 47,605	41.1%	$ 57,605	31.8%
Minority Interest					17,230	9.5
CONVERTIBLE PREFERRED			21,298	18.4	40,798	22.6
COMMON EQUITY	35,644	78.1	47,000*	40.5	65414	36.1
TOTAL CAPITALIZATION	$ 45,644	100.0%	$ 115,903	100.0%	$ 181,047	100.0%

740

CHFL

* Estimated figure for 11/1/69.

CHART 4

Debt Comparison

CHRIS-CRAFT INDUSTRIES, INC.

	8/31/68 Pro Forma (a)	
Long-Term Debt		
Senior Debt		
5 3/4% Promissory Note 1968 - 1979	$18,283	21.0%
Subordinated Debt		
7% Subordinated Debenture 1972	3,780	4.3
6% Convertible Subordinated Debenture 1989	26,000	29.9
Total Debt	$48,063	55.2%
Preferred Stock		
$1.00 Prior Preferred	5,387	6.1
$1.40 Convertible Preferred	18,851	21.7
Total Preferred Stock	$24,238	27.8%
Common Equity *	14,769	17.0
Total Capitalization	$87,070	100.0%
* Excludes Intangibles	$27,572	
Common Shares Outstanding	1,395,461	
Common Equity at Market	$71,866	
% Debt Including Common at Market		33.3%

Coverage:			(a)	(b)
(a)	Times Pro forma After-Tax Interest Requirement	1964	1.8x	1.2x
		1965	2.2	1.5
(b)	Times Pro forma After-Tax Interest and Preferred Dividend Requirements	1966	2.1	1.4
		1967	2.2	1.5
		1968	1.9	1.3
	5-Year Average:		2.0x	1.4x

NOTE:
A total of approximately 1,786,165 shares of common stock are reserved upon conversion of convertible debentures and preferred stock, upon exercise of warrants, upon exercise of stock options and under the employees' stock purchase plan. Resultant dilution: 56.1%.

HLH--ECC--1/24/69

DEFENDANT'S

EXHIBIT
U. S. Dist. Court
S. D. of N. Y.

MAR 19 1971

AE-3

743

First Boston Exhibit 5

X

BANGOR PUNTA EXCHANGE OFFERS

EVALUATION MATERIAL

THE FIRST BOSTON CORPORATION

July 15, 1969

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THE FIRST BOSTON CORPORATION 745

NEW YORK OFFICE

MEMORANDUM

July 8, 1969

Messrs.	Pattberg	Hamer
	Miller	Reimer
	Buckley	Steffens
	Bayard	Beim
	Buchanan	Leventis
	Bulkley	Lyon
	Cimiluca	Arning (Sullivan & Cromwell)
	Miss Sherman	

Bangor Punta Corporation Exchange Offer
Time Schedule

The time schedule indicated below reflects our current thinking and is subject to further revision.

Just prior to the effective date of the offer, it is contemplated that FBC will provide an opinion to the effect that the securities to be offered by Bangor have a value of not less than $80 per share of Piper Aircraft Corporation Common Stock. So as to be prepared to provide such an opinion, two important meetings have been scheduled for July 15 and July 17 at 2:30 p.m. in Room 9. Should you not be available to attend either or both of these meetings, please advise me as soon as possible. Some preliminary material will be distributed on or prior to July 14.

July 11 (Friday)	Submit new proofs to SEC of Registration Statement.
July 15 (Tuesday)	Preliminary FBC evaluation meeting in Room 9 at 2:30 p.m.
July 17 (Thursday)	Final evaluation meeting in Room 9 at 2:30 p.m.
July 18 (Friday)	Exchange Offer expected to become effective and commence.
July 29 (Tuesday)	Exchange Offer closes at 5:00 p.m.
August 7 (Thursday)	Bangor Punta shareholders meeting called to approve transaction.

John H. Laeri, Jr.

John H. Laeri, Jr.
Vice President

THE FIRST BOSTON CORPORATION

NEW YORK OFFICE

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MEMORANDUM

July 10, 1969

Messrs. Pattberg
Miller
Morrison
Buckley
Bayard
Buchanan
Bulkley
Cimiluca
Hamer
Reimer
Swenson
Beim
Leventis
Lyon
Arning (Sullivan & Cromwell)
Miss Sherman

FBC Evaluations of Bangor Punta Exchange Offers

On May 29, 1969, Bangor Punta Corporation ("Bangor") filed a Registration Statement with the Securities & Exchange Commission covering two exchange offers to be made to certain holders of Piper Aircraft Corporation ("Piper") common stock. In connection with these exchange offers, FBC has been asked to provide two opinions.

As of May 8, 1969, Bangor entered into an agreement with 42 holders of Piper common stock ("Piper Family") who own 501,090 shares, whereby such holders have now agreed, subject to certain conditions, to exchange each share of Piper common stock for (1) 1 share of Bangor common stock, (2) Bangor warrants expiring March 31, 1981 to purchase 2.2 shares of common stock at a price of $55 per share and (3) $15.00 principal amount of Bangor's 8 1/4% Convertible Subordinated Debentures Due 1994. The Debentures are convertible into Bangor common stock at a price of $55 per share and are nonredeemable prior to July 1, 1973. Such exchange offer to the Piper Family is hereinafter referred to as the "Limited Exchange Offer". No Dealer Manager is being used in connection with the Limited Exchange Offer.

As a further condition of the May 8, 1969 agreement, Bangor Punta is obligated to make an exchange offer ("General Exchange Offer") for shares of Piper common stock other than the shares owned by the Piper Family or already purchased by Bangor. The relevant language of such agreement of May 8, 1969 is indicated below:

"As a part of such best efforts, Bangor Punta will take all steps necessary to make a further exchange offer to all holders of Piper common stock other than sellers (the Piper Family) under which such holders will be entitled to exchange each share of Piper common stock held by them for Bangor Punta securities and/or cash having a value, in the written opinion of The First Boston Corporation, of $80 or more."

The previous provision was referred to publicly in a joint press release issued on May 8, 1969. The appropriate section is quoted below:

"Bangor Punta has agreed to file a registration statement with the Securities and Exchange Commission covering a proposed exchange offer for any and all of the remaining outstanding shares of Piper Aircraft for a package of Bangor Punta securities to be valued in the judgment of The First Boston Corporation at not less than $80 per Piper share. The registration statement covering all securities to be issued will be filed as soon as possible and a meeting of the shareholders of Bangor Punta Corporation will be called for approval."

If Bangor succeeds in acquiring more than 50% of the outstanding shares of Piper common stock and, if in the written opinion of The First Boston Corporation the value of the Bangor securities delivered under the Limited Exchange Offer to the Piper Family is less than $80 (determined as of the opening date of such General Exchange Offer) then Bangor will deliver additional securities and/or cash to the Piper Family having a value equivalent to the difference between $80 and the value indicated in such written opinion.

In summary, The First Boston Corporation is being asked to provide two opinions. The first opinion, which is to be given just prior to the effective date of the Registration Statement, relates to the General Exchange Offer and should be to the effect that the value of the Bangor Punta securities being offered to the non-Piper Family holders is not less than $80 per share of Piper. It is presently contemplated that this offer will consist of (1) 1 share of Bangor common stock, (2) Bangor warrants expiring March 31, 1981 to purchase 3.25 shares of Bangor common stock at a price of $55 per share and (3) $32.00 principal amount of a Bangor Punta 8 1/4% Convertible Subordinated Debentures Due 1994. The Debentures are convertible into Bangor Punta common stock at a price of $55 per share and are non-redeemable prior to July 1, 1973. In the event that we value such package at less than $80 per share of Piper common stock, Bangor Punta will then be obligated to add additional securities and/or cash in order to produce a package which, in our judgment, is valued at not less than $80 per share. If value has to be added or subtracted at the last minute, it is presently expected that the amount of Debentures will be increased or decreased. The second opinion of The First Boston Corporation relates to the Limited Exchange Offer and will be provided subsequent to the commencement of the General Exchange Offer. This opinion will cover the value as of the commencement date of the General Exchange Offer of the securities indicated earlier which will be issued to the Piper Family pursuant to the Limited Exchange Offer.

A preliminary meeting to review the evaluation material prepared to date has been scheduled for 2:30 p.m. on July 15, 1969 in Room 9. It is presently expected that the final evaluation session will be held on July 17, 1969 at the same time and place. It is important that, prior to these meetings, you review the latest proof of the Registration Statement dated July 9, 1969 together with additional material, some of which will be distributed on July 14.

John H. Laeri

John H. Laeri, Jr.
Vice President

Summary of Chris-Craft's and Bangor Punta's Attempts to Merge with Piper Aircraft

uary 23, 1969	Chris-Craft makes Tender Offer to purchase 300,000 shares or 18.3% of Piper Aircraft; says it already owns 12 1/2% (200,500) of Piper's 1,640,000 common shares.
uary 30, 1969	Grumman agrees to buy 300,000 unissued shares of Piper Aircraft at $65 a share (same as Chris-Craft's offer). Would dilute Chris-Craft's holdings to 10.3% from 12.5%.
ary 31, 1969	Chris-Craft seeks to prevent Grumman from buying Piper stock. Sues, alleging Antitrust violation.
uary 3, 1969	Court orders Grumman to justify its offer to buy Piper common.
uary 5, 1969	Chris-Craft says it owns about 545,000 or 33.2% of the 1,640,000 Piper shares outstanding. 344,500 Piper shares tendered to Chris-Craft. Chris-Craft seeks representation on Piper's Board by nominating four of its officers as directors.
uary 11, 1969	Piper Aircraft postpones until 2/24 the reconvening of its annual meeting to give judges time to tabulate stockholders votes on the election of the Board; Chris-Craft is assured of getting at least two places on the eight-man Piper Board, and possibly three.
uary 25, 1969	Piper again postpones reconvening its annual meeting--indications of problems in tabulating proxies. A sizable portion of proxies challenged either by Piper or Chris-Craft.
uary 27, 1969	Chris-Craft seeks an additional 300,000 Piper shares which would boost its ownership of Piper's shares to 51.7%. Piper postpones its annual meeting for the fourth time in its continuing challenge of Chris-Craft proxies.
h 20, 1969	In its bid for an additional 300,000 shares of Piper, Chris-Craft revises its offer to provide for an exchange of preferred stock and warrants for Piper. Grumman-Piper accord terminated by mutual consent.
h 25, 1969	Piper announces two acquisitions that will increase by 29% Piper common outstanding and reduce interest of Chris-Craft. Says it will acquire U. S. Concrete Pipe Co. of Florida for 320,000 shares and had acquired more than 99% of the outstanding stock of Southply Inc. for 149,199 shares.
h 26, 1969	Chris-Craft gains only two seats on Piper Board. New Board voted to enlarge to nine members from eight. Due to Piper's two acquisitions and 470,000 new Piper shares, Chris-Craft would control only 40% of Piper common.
h 27, 1969	Chris-Craft challenges Piper's acquisitions. Says Piper could not issue the additional shares for the two acquisitions until the New York Stock Exchange approved a listing application for the shares. Further says that exchange rules require a favorable vote of shareholders for an acquisition or closely related acquisitions that could result in an increase in the outstanding common stock by 20% or more.
1, 1969	New York Court blocks Piper from issuing 470,000 common shares in two previously proposed acquisitions unless approval is first granted by the N.Y. Stock Exchange. Restraining order sought by Chris-Craft.
3, 1969	Chris-Craft owns 555,616 Piper shares.
4, 1969	New York Stock Exchange suspends trading in the common stock of Piper on the grounds that Piper had violated its listing agreement with the Exchange. Suspension effective Monday, April 17.
9, 1969	Philadelphia-Baltimore-Washington Stock Exchange plans to continue trading in Piper shares.
15, 1969	Piper rescinds agreements to acquire U.S. Concrete Pipe Co. of Florida and Southply Inc. says it will "move promptly" to obtain lifting of the trading suspension.
18, 1969	New York Stock Exchange lifts trading ban of Piper common.

May 8, 1969 — Chris-Craft announces terms in its offer to acquire 300,000 shares of Piper. Plans to offer for each share of Piper common one share of new Chris-Craft convertible preferred stock and warrants to purchase two shares of Chris-Craft common at $25 a share reflecting a two-for-one split

May 9, 1969 — Bangor Punta Corp. agrees to acquire more than 500,000 shares - or at least 30% of Piper common stock from the Piper family. Agreement intende as first step toward consolidation of Bangor Punta and Piper. Chris-Craft will vigorously oppose the agreement. First Boston says that Piper shareholders will receive at least $80 per share.

May 13, 1969 — Chris-Craft calls special meeting of shareholders on June 3 to vote on offer to Piper.

May 15, 1969 — Court order enables Chris-Craft to have access to the stockholder list of Piper Aircraft.

May 19, 1969 — Chris-Craft raises bid for Piper by $10 a share cash. Bangor Punta says its interest is increased to 600,000 or 37% of the stock outstanding.

May 23, 1969 — Chris-Craft moves to block Bangor Punta, Piper Aircraft merge - files suit.

May 27, 1969 — Bangor Punta, Piper Aircraft charged with violating Federal Securities Law by SEC.

May 31, 1969 — Bangor Punta moves for dismissal in Federal Court of a request by Chris-Craft for an injunction to bar its proposed merger with Piper. It also announces that is has filed with the Securities and Exchange Commission the terms of its proposed acquisition of Piper.

June 2, 1969 — Bangor Punta gives terms of its exchange offer to Piper shareholders. Will give common, warrants and debentures.

June 3, 1969 — Bangor Punta files suit in Federal District Court against Chris-Craft asking that Chris-Craft be required to divest itself of most of its holdi in Piper Aircraft. Accuses Chris-Craft of making "Fraudulent and misleading" statements. Bangor Punta also asserts that a $15 million loan t Chris-Craft to purchase stock in Piper violated Federal Reserve Board regulations. The suit seeks $50 million in compensatory damages.

June 6, 1969 — Chris-Craft extends offer for Piper stock to Thursday, June 12.

June 9, 1969 — Chris-Craft shareholders at a special meeting overwhelmingly approved the Company's plan to issue preferred shares and common stock warrants in exchange for the common stock of Piper.

June 17, 1969 — Bangor Punta withdraws a motion to dismiss the suit by Chris Craft against Bangor. Files an answer denying all other Chris-Craft allegations.

June 18, 1969 — Chris-Craft again extends offer for Piper stock to Friday, June 27.

June 30, 1969 — Chris-Craft offer again extended to Friday, July 11, 1969.

July 3, 1969 — Piper files suit to oust Directors representing Chris-Craft holdings.

July 14, 1969 — Chris-Craft offer extended to Monday, July 21, 1969.

Sources: Wall Street Journal and New York Times

IG--7/14/69

Selected Market Prices

ary 1969	Chris-Craft (a)				Bangor Punta				Piper Aircraft				Closing Dow-Jones Industrial Averag
	High	Low	Last Sale	Volume	High	Low	Last Sale	Volume	High	Low	Last Sale	Volume	
2	20.38	19.56	20.25	5,700	46.75	45.00	46.25	8,100	53.63	53.12	53.12	1,100	947.73
3	20.88	20.13	20.88	7,500	47.25	46.00	47.00	16,900	54.00	53.12	53.88	36,300	951.89
6	20.88	19.82	20.32	5,700	47.25	45.75	46.50	21,200	54.25	54.00	54.25	22,100	936.66
7	20.50	19.82	20.06	9,400	46.37	45.37	45.37	10,100	53.75	53.00	53.25	2,500	925.72
8	20.06	19.69	19.69	5,700	46.00	44.37	45.50	18,000	53.50	52.50	52.50	32,500	921.25
9	20.19	19.63	19.63	4,200	46.37	45.63	46.37	2,300	54.88	52.25	54.50	1,200	927.46
10	20.18	19.38	20.00	11,800	46.63	46.00	46.00	5,400	54.37	54.25	54.25	300	925.53
13	20.19	19.94	20.00	9,700	46.12	45.25	46.12	3,400	54.25	52.50	52.50	2,200	923.11
14	20.75	19.94	20.75	8,500	46.12	45.75	46.12	4,800	53.00	52.25	52.50	5,500	928.33
15	22.25	41.06	21.94	38,600	47.00	46.63	46.75	11,600	53.00	52.50	52.50	1,200	931.75
16	22.56	22.00	22.44	34,100	47.37	46.88	47.00	10,300	52.00	51.75	51.75	2,800	938.59
17	22.63	22.32	22.32	8,300	47.50	46.88	47.50	10,600	51.63	51.25	51.37	700	935.54
20	24.25	22.13	24.25	24,000	48.00	47.25	47.63	14,600	51.75	50.88	50.88	2,000	931.25
21	25.32	23.50	24.94	78,100	48.63	47.75	48.37	7,000	51.88	51.25	51.88	3,900	929.82
22	24.69	23.75	24.19	12,000	49.37	48.63	49.25	9,300	52.88	52.25	52.50	2,100	934.17
23	27.00	25.38	25.75	61,500	49.37	48.75	49.37	7,500	60.50	59.00	60.50	13,900	940.20
24	26.00	25.50	25.82	40,800	50.37	49.37	50.12	14,500	62.88	61.50	62.50	36,800	938.59
27	26.00	25.69	25.87	14,100	50.25	48.12	48.25	7,300	63.75	62.63	63.00	25,200	937.47
28	26.25	25.63	26.25	28,300	49.00	48.12	48.75	2,900	64.25	63.75	64.25	4,900	938.40
29	26.25	25.82	25.94	19,700	49.50	48.75	49.37	5,900	64.25	60.75	61.63	5,900	938.09
30	25.69	24.88	25.00	16,800	49.50	48.50	48.50	6,400	60.75	58.50	59.00	12,000	942.13
31	24.63	24.32	24.32	10,000	49.00	48.25	48.63	8,700	60.75	59.50	60.12	7,100	946.05
ruary, 1969													
3	24.44	23.69	23.94	5,200	48.88	48.25	48.50	14,500	59.75	58.88	59.63	5,600	946.85
4	25.63	24.00	25.50	10,300	48.50	48.12	48.37	10,600	62.00	60.25	62.00	1,800	945.11
5	26.38	25.88	26.19	10,400	49.00	48.25	48.75	3,600	64.88	62.50	64.88	5,700	945.98
6	26.94	26.32	53.88	20,300	49.50	48.88	49.00	7,300	67.50	65.00	66.00	9,200	946.67
7	27.94	27.06	27.75	35,400	49.00	48.50	48.75	3,800	68.00	67.75	68.00	6,900	947.85
11	29.13	28.00	28.19	22,600	49.00	48.63	48.88	5,900	70.00	69.37	69.63	7,400	948.97
12	28.00	27.32	27.44	17,000	49.00	48.25	48.25	14,300	69.50	68.00	68.00	5,800	949.09
13	27.19	26.88	27.13	18,600	48.50	47.50	47.50	7,300	69.75	67.75	69.50	7,200	952.70
14	27.38	26.88	27.19	5,300	47.88	45.50	46.00	4,200	69.75	68.75	69.75	7,200	951.95
17	27.25	26.82	26.82	6,000	47.00	42.50	42.63	8,700	69.00	67.63	67.88	16,800	937.72
18	26.82	25.82	25.82	11,100	44.75	43.00	43.50	4,200	70.00	6[illegible].50	70.00	13,900	930.82
19	25.13	24.25	24.38	15,600	44.00	43.00	43.88	3,800	72.00	70.37	71.75	13,200	925.10
20	24.63	24.25	24.25	4,600	43.50	41.88	42.25	9,100	72.00	70.75	71.12	14,900	916.65
24	24.44	23.38	23.56	5,000	41.75	40.37	40.63	3,900	70.00	69.00	69.00	5,600	903.97
25	25.00	23.94	24.13	19,000	40.63	39.12	39.12	5,900	69.12	67.50	67.50	8,400	899.80
26	25.38	24.19	25.13	7,900	40.25	39.12	39.63	5,600	68.37	67.37	68.12	7,300	905.77
27	25.38	24.69	25.00	4,500	39.88	38.75	38.75	7,900	68.12	67.63	68.12	2,900	903.03
28	24.89	24.38	24.56	11,700	38.88	38.25	38.75	9,200	69.00	68.00	69.00	5,700	905.21

NOTES:
(a) Prices adjusted for two-for-one split effective 5/20/69. Volume not adjusted.

Selected Market Prices

March, 1969	Chris-Craft (a)				Bangor Punta				Piper Aircraft				Closing Dow-Jones Industrial Average
	High	Low	Last Sale	Volume	High	Low	Last Sale	Volume	High	Low	Last Sale	Volume	
3	24.50	23.75	23.82	7,000	39.00	38.37	38.37	6,800	69.00	68.25	68.25	2,500	908.63
4	23.56	22.88	22.94	5,200	39.63	38.37	39.50	9,000	68.63	68.50	68.50	2,100	919.51
5	23.88	23.06	23.82	31,500	39.75	39.25	39.75	8,900	69.25	68.25	69.00	3,800	923.11
6	23.75	23.13	23.19	3,900	40.25	39.12	39.12	13,000	69.50	69.25	69.50	4,800	913.54
7	23.06	23.00	23.06	2,600	39.00	38.63	39.00	1,500	70.00	68.88	70.00	6,100	911.18
10	23.44	23.06	23.44	900	39.00	38.50	38.63	900	71.25	70.00	71.25	2,400	917.14
11	23.88	23.32	23.82	1,900	39.75	38.63	39.63	5,200	73.50	72.00	72.73	4,100	920.93
12	27.75	22.56	23.06	5,500	39.75	39.50	39.50	1,500	73.50	73.50	73.50	3,200	917.52
13	23.32	22.88	22.88	3,000	39.25	38.25	38.25	3,400	73.75	73.50	73.75	3,800	907.14
14	23.06	22.38	22.63	6,400	38.50	38.00	38.25	1,900	73.12	72.50	72.50	4,500	904.28
17	22.50	22.38	22.50	4,900	38.50	38.25	38.50	1,000	71.75	69.63	70.75	5,000	904.03
18	23.19	22.63	22.63	5,400	38.88	38.63	38.63	700	72.25	72.00	72.00	8,000	907.38
19	24.25	22.69	24.25	18,800	39.00	38.00	38.00	3,900	73.37	73.00	73.37	8,300	912.11
20	24.32	23.69	23.75	4,500	38.25	38.00	38.25	2,500	73.37	71.25	71.25	3,500	920.13
21	24.19	23.88	24.19	4,300	38.00	37.00	37.12	3,200	70.50	68.88	69.75	3,300	920.00
24	24.44	24.13	24.44	4,100	36.25	35.50	36.25	4,900	69.00	68.12	68.50	3,500	917.08
25	24.38	23.75	23.82	3,800	36.00	35.50	35.50	3,800	69.25	68.50	69.25	1,400	917.08
26	23.63	23.00	23.19	3,500	35.50	32.88	33.88	7,600	69.50	69.25	69.25	4,800	923.30
27	23.25	23.00	23.00	1,300	34.63	34.00	34.25	11,300	69.50	69.50	69.50	1,400	930.88
28	23.32	22.88	23.00	2,800	36.50	34.37	36.37	5,700	70.00	69.25	69.25	2,500	935.48
April, 1969													
1	23.00	23.00	23.00	1,800	37.37	36.00	36.88	3,900	68.75	68.50	68.50	1,800	933.08
2	23.00	22.50	22.69	2,900	36.63	35.75	36.12	10,300	67.75	67.50	67.50	2,600	930.92
3	22.63	22.32	22.50	5,900	36.63	36.12	36.50	9,600	67.50	67.50	67.50	1,900	927.30
7	22.32	21.88	21.88	4,400	36.50	35.50	35.63	9,900	Not Traded			(b)	918.78
8	22.63	21.82	22.63	10,600	35.50	34.25	34.25	31,400	67.37	67.00	67.37	82,900(b)	923.17
9	22.94	22.50	22.94	16,100	34.75	34.00	34.75	5,600	68.25	67.50	68.25	54,500(b)	929.97
10	22.94	22.69	22.94	3,400	34.88	33.37	33.50	4,100	69.50	68.00	69.00	127,000(b)	932.89
11	22.94	22.63	22.63	900	34.50	33.63	34.25	13,800	69.37	69.00	69.37	436,200(b)	933.46
14	22.50	22.13	22.32	5,800	34.37	34.00	34.12	2,800	69.50	67.50	67.50	75,000(b)	932.64
15	22.63	22.25	22.38	6,100	34.12	33.50	33.50	3,400	68.25	67.25	68.25	32,000(b)	931.94
16	22.38	22.06	22.38	3,600	33.75	33.12	33.37	4,300	68.00	65.50	65.75	106,700(b)	923.49
17	22.82	22.25	22.82	4,000	33.50	32.88	33.25	2,300	65.50	64.25	64.50	127,500(b)	924.12
18	22.82	22.38	22.63	4,300	33.50	32.63	33.25	2,700	66.00	65.00	65.00	50,000(b)	924.82
21	22.50	22.32	24.44	3,100	33.37	32.25	32.25	3,000	68.50	65.00	67.12	7,100	917.51
22	22.38	21.32	21.88	10,200	33.00	32.12	32.75	7,500	67.25	67.00	67.00	3,200	918.59
23	22.13	20.50	20.69	21,800	34.25	33.12	33.88	6,100	67.00	66.88	66.88	4,100	917.64
24	20.89	20.50	20.50	8,800	33.88	33.25	33.25	5,400	67.00	67.00	67.00	2,000	921.20
25	20.50	20.25	20.44	10,900	33.37	32.88	33.00	5,700	66.75	66.50	66.50	1,400	924.00
28	21.69	20.69	21.32	13,500	33.25	32.50	32.75	25,000	66.25	66.25	66.25	400	925.08
29	21.63	21.00	21.44	18,100	34.00	32.25	35.63	3,100	66.50	66.25	66.25	100	934.10
30	21.50	21.82	22.19	24,900	35.75	34.63	35.37	8,400	67.63	66.25	67.63	1,800	950.18

FOOTNOTES:
(a) Price adjusted for two-for-one split effective 5/20/69. Volume not adjusted.
(b) Quotations from Philadelphia-Baltimore-Washington exchange.

Selected Market Prices

	Chris Craft (a)						Bangor Punta						Piper Aircraft				Closing Dow Jones Industrial Average
			Common		Warrants				Common		Warrants		Common				
May 1968	High	Low	Last Sale	Volume	Bid	Asked	High	Low	Last Sale	Volume	Bid	Asked	High	Low	Last Sale	Volume	
1	22.63	22.25	22.38	11,900			35.88	34.88	34.88	5,000			69.00	68.00	69.00	3,200	949.22
2	22.32	22.13	22.25	5,400			35.00	34.12	34.50	4,200			69.50	69.00	69.00	1,600	957.17
5	22.69	22.32	22.50	4,600			35.12	34.50	34.88	3,600			69.50	69.50	69.50	100	958.95
6	22.63	22.38	22.63	19,300			35.25	34.37	34.63	10,900			69.00	69.00	69.00	1,000	962.06
7	23.38	22.56	23.38	23,500			34.63	32.75	32.75	40,200			70.00	69.00	70.00	6,300	959.60
8	24.13	22.25	22.25	22,400			34.12	32.88	34.12	7,300			71.50	69.50	71.50	10,500	963.68
9	21.88	21.25	21.75	22,600			34.63	33.88	34.37	10,700			73.00	72.50	72.50	3,800	961.61
12	21.94	21.56	21.88	7,100			34.37	33.75	33.88	3,600	11.50	12.50	73.00	72.50	72.75	1,500	957.86
13	22.00	21.63	21.69	12,000			33.63	32.50	33.50	4,700	11.50	12.50	72.50	72.50	72.50	1,600	962.97
14	21.88	21.63	21.82	11,200			33.50	33.00	33.12	4,200	11.00	12.00	73.00	72.50	72.75	5,000	968.85
15	21.94	21.25	21.38	38,600			33.63	33.12	33.50	5,300	10.25	11.25	73.00	72.25	72.25	1,400	965.16
16	21.94	21.63	21.94	4,700			33.75	33.12	33.12	3,500	10.25	11.25	77.25	75.25	76.00	6,700	967.30
19	21.94	21.63	21.63	5,800			33.37	32.37	33.12	5,600	10.00	11.00	79.00	76.75	77.63	15,000	959.02
20	21.75	21.12	21.25	6,700			32.88	32.50	32.75	3,200	10.25	11.25	78.00	76.00	76.00	5,900	949.26
21	21.75	21.12	21.50	13,600			33.25	32.50	33.25	6,200	10.00	11.00	77.37	77.00	77.00	1,500	951.78
22	21.63	20.63	20.63	11,500			33.75	32.50	32.75	5,500	10.50	11.50	77.37	76.00	76.25	2,300	950.04
23	20.88	20.75	20.88	8,500			33.25	32.63	33.25	2,200	10.25	11.00	76.00	75.50	75.75	5,200	947.45
26	21.00	20.50	20.88	62,600			33.37	33.00	33.00	2,100	10.25	11.00	75.75	75.00	75.25	3,400	946.94
27	20.75	20.50	20.75	4,600			32.88	32.12	32.12	9,000	10.00	11.00	75.00	75.00	75.00	2,600	938.66
28	20.75	20.50	20.75	3,200			32.00	31.63	31.63	3,500	10.00	10.75	75.00	75.00	75.00	3,000	936.92
29	20.75	20.50	20.75	5,000			32.12	31.75	31.88	1,000	10.00	11.00	75.00	74.75	75.00	4,800	937.56
June 1969																	
2	20.50	20.50	20.50	2,800	5.00	-	31.37	30.25	30.50	4,800	9.50	10.50	74.50	74.25	74.25	2,200	933.17
3	20.75	18.50	19.00	12,600	5.00	-	30.63	29.63	30.63	5,300	9.50	10.50	74.00	71.00	71.00	6,500	930.78
4	19.63	19.00	19.25	29,400	4.00	-	30.88	30.00	30.88	6,600	9.25	10.25	70.00	69.00	70.00	11,800	928.84
5	19.50	19.12	19.50	15,700	5.00	-	32.37	30.75	32.00	18,500	9.00	10.00	70.00	69.50	69.50	2,300	930.71
6	19.50	18.25	18.88	21,600	5.00	-	32.50	31.88	32.12	2,600	9.25	10.25	70.00	69.50	70.00	3,300	924.77
9	19.00	18.00	18.75	14,800	5.00	-	31.75	31.63	31.63	3,100	9.75	10.75	69.00	69.00	69.00	1,500	918.05
10	18.75	18.00	18.00	11,200	5.00	-	31.75	31.37	31.37	2,300	9.25	10.25	68.75	68.00	68.50	1,400	912.49
11	18.37	17.50	17.50	7,300	4.50		31.25	30.63	30.63	14,200	8.50	9.50	67.88	67.50	67.50	600	904.60
12	17.88	16.50	16.88	11,000	5.00	-	30.50	29.88	29.88	4,700	8.50	9.50	67.50	66.75	66.75	1,600	892.58
13	17.25	16.88	17.12	8,500	4.50	-	30.50	29.63	30.25	10,600	8.50	9.50	66.00	66.00	66.00	2,500	894.84
16	17.00	17.00	16.75	5,700	4.50	-	30.50	30.25	30.37	2,400	8.50	9.50	66.50	65.00	65.00	1,600	891.16
17	17.12	15.00	16.50	21,000	5.00	-	30.50	29.88	29.88	28,000	8.50	9.50	65.00	64.75	64.75	2,300	885.73
18	16.88	15.88	16.00	8,700	5.00	-	30.37	29.37	29.37	3,600	8.75	9.75	64.50	64.50	64.50	400	887.09
19	16.63	15.50	15.63	11,900	4.00	-	29.75	28.12	28.12	3,000	8.00	9.00	65.75	64.50	65.25	1,200	882.37
20	16.12	15.50	16.00	7,400	-	-	28.50	27.25	27.25	2,200	7.75	8.75	65.00	65.00	65.00	300	876.16
23	16.00	15.63	16.00	3,400	-	-	27.25	24.88	26.00	7,700	8.00	9.00	64.50	63.75	63.75	1,000	870.86
24	16.50	16.00	16.50	7,000	4.00		26.75	26.12	26.12	3,300	7.75	8.75	63.25	63.25	63.25	400	877.20
25	16.63	16.12	16.63	7,600			26.75	26.12	26.37	2,400	7.50	8.50	63.12	63.00	63.12	1,000	874.10
26	16.63	16.25	16.63	2,600			26.37	25.50	25.75	3,300	7.00	8.00	63.00	63.00	63.00	200	870.28
27	16.63	16.12	16.63	6,800			25.75	25.63	25.75	1,500	7.50	8.25	62.75	62.25	62.75	900	869.76
30	16.63	16.37	16.63	10,300			25.88	25.25	25.88	6,200	7.25	8.25	62.25	62.25	62.25	600	873.19

FOOTNOTE:
(a) Prices adjusted for two-for-one split effective 5/20/69. Volume not adjusted.

July 1969	Chris Craft (a) Common High	Low	Last Sale	Volume	Warrants Bid	Asked	High	Low	Last
1	17.12	16.12	16.63	12,400			25.88	25.25	25
2	16.88	16.25	16.88	3,500	4.00		26.00	25.25	25
3	17.25	16.50	16.75	4,500	4.00		25.63	25.00	25
7	17.50	16.75	17.12	28,400	4.00		25.63	25.12	25
8	17.75	17.12	17.75	4,800			25.00	25.37	24
9	17.75	17.50	17.50	14,000			25.37	24.50	25
10	17.50	16.25	16.25	8,800			25.63	25.00	25
11	16.37	15.50	15.50	20,700			25.75	24.88	25

FOOTNOTE:
(a) Prices adjusted for two-for-one split effective 5/20/69. Volume not adjusted.

IG--7/11/69

Selected Market Prices

Bangor Punta				Piper Aircraft				Closing Dow Jones
Common		Warrants		Common				Industrial Average
Sale	Volume	Bid	Asked	High	Low	Last Sale	Volume	
.75	4,000	7.50	8.25	62.00	62.00	62.00	400	875.90
.25	12,700	7.50	8.25	62.00	62.00	62.00	100	880.69
.37	6,500	7.50	8.50	64.25	62.00	64.25	1,300	886.12
.37	3,200	7.50	8.25	66.00	65.00	66.00	800	883.21
.50	7,200	7.25	8.25	66.50	66.00	66.25	600	870.35
.00	3,700	7.25	8.25	66.00	65.75	66.00	500	861.62
.12	4,600	7.25	8.25	65.50	63.50	63.50	1,000	847.79
.37	2,900	7.50	8.25	63.50	63.00	63.50	1,800	852.25

MARKET PRICES OF MAJOR PUBLIC WARRANTS

		Abraham & Co.	A. W. Benkert & Co.	A. G. Edwards & Sons	Emanuel, Deetjen & Co.	Ferris & Co.	First Prudential Corp.
January 1969							
27	Bid						
	Asked						
28	Bid	--					
	Asked						
29	Bid	--					
	Asked	--					
30	Bid	--					
	Asked	--					
31	Bid	--					
	Asked	--					
February 1969							
2	Bid						
	Asked						
5	Bid	15.00					
	Asked	22.00					
6	Bid	15.00					
	Asked	20.00					
12	Bid						
	Asked						
27	Bid	--					
	Asked	--					
March 1969							
3	Bid	--					
	Asked	--					
4	Bid	12.00			12.00		
	Asked	15.00			--		
5	Bid	11.00			12.00		
	Asked	14.00			--		
6	Bid	--			--		
	Asked	--			--		
7	Bid	--	--				
	Asked	--	--				
10	Bid	--					
	Asked	--					
11	Bid	--	--				
	Asked	--	--				
12	Bid	--					
	Asked	--					

IN THE NATIONAL DAILY QUOTATION SERVICE

Vorhees & Co.	Kidder, Peabody & Co.	Koplmeyer & Co.	McDonnell & Co.	Ralph C. Morgan	Reich & Co.	V. J. Shah & Co.	White, Weld & Co.
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	--		13.50				
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	--		13.00				--
	--						--
	--						--
	--		12.00				--
	--		13.00				--
	--		11.50				--
	--		12.50				--

		Abraham & Co.	A. W. Benkert & Co.	A. G. Edwards & Sons	Emanuel, Deetjen & Co.	Ferris & Co.	First Fr...	Kalb Vorhe
March 1969 (Cont'd)								
13	Bid	11.50						
	Asked	12.50						
14	Bid	11.50						
	Asked	12.50						
17	Bid	--						
	Asked	--						
18	Bid	10.00						
	Asked	11.50						
19	Bid	--						
	Asked	--						
20	Bid	10.00	--					
	Asked	11.50	--					
21	Bid	9.50						
	Asked	11.00						
24	Bid	9.50						
	Asked	11.00						
25	Bid	--						
	Asked	--						
26	Bid	--						
	Asked	--						
27	Bid	--						
	Asked	--						
28	Bid	--						
	Asked	--						
April 1969								
1	Bid	8.50						
	Asked	9.50						
2	Bid	--						
	Asked	--						
3	Bid	--		--				
	Asked	--		--				
7	Bid	--		--				
	Asked	--		--				
8	Bid	--		8.00				
	Asked	--		--				

& Co.	Kidder, Peabody & Co.	Koplmeyer & Co.	McDonnell & Co.	Ralph C. Morgan	Reich & Co.	V. J. Shah & Co.	White, Weld & Co.
	--		11.00				--
			11.50				--
	--		11.00				
	--		10.00				--
	--		10.50				
	--		11.50				--
			10.00				--
			11.00				
			--				--
			--				
			--				
			--				--
			10.00				--
			11.00				
			10.00				--
			11.00				--
			--				
			--				--
			8.75				--
			9.75				
			--				
			--				--
			8.00				--
			9.00				
			--				--
			--				
			8.50				--
			9.50				--
			--				
			--				8.25
			8.00				9.25
			9.00				

April 1969 (Cont'd)		Abraham & Co.	A. W. Benkert & Co.	A. G. Edwards & Sons	Emanuel, Dretjen & Co.	Ferris & Co.	First [illegible]	Ralb Vorhees
9	Bid	8.00		8.00				--
	Asked	9.00		--				8.75
10	Bid	8.00						--
	Asked	9.00						8.75
11	Bid	8.00		8.25				--
	Asked	9.50		--				8.75
14	Bid	--		8.25				--
	Asked	--		--				8.63
15	Bid	8.00		8.25				
	Asked	9.50		--				
16	Bid	8.00		--				
	Asked	9.50		--				
17	Bid	--		--				
	Asked	--		7.00				
18	Bid	--						
	Asked	--						
21	Bid	--						
	Asked	--						
22	Bid	9.50						
	Asked	10.50						
23	Bid	--						
	Asked	--						
24	Bid	--						
	Asked	--						
25	Bid	--						
	Asked	--						
28	Bid	--				6.00		--
	Asked	--				--		10.88
29	Bid	--						--
	Asked	--						10.88
30	Bid	--						
	Asked	--						

& Co.	Kidder, Peabody & Co.	Koplzeyer & Co.	McDonnell & Co.	Ralph C. Morgan	Reich & Co.	V. J. Shah & Co.	White, Weld & Co.
			8.00				8.00
			8.75				9.00
			--				8.00
			--				9.00
			8.00				
			8.75				
			7.50				
			8.50				
			--				--
			--				--
			--				--
			--				--
			7.25				7.25
			8.25				8.25
			7.00				
			8.00				
			6.50				6.50
			7.50				7.50
			9.00				--
			10.00				--
			--				--
			--				--
			11.00				--
			12.00				--
			10.50				--
			11.50				--
			10.00				10.00
			11.00				11.00
			--				--
			--				--
							--
							--

		Abraham & Co.	A. W. Benkert & Co.	A. G. Edwards & Sons	Emanuel, Deetjen & Co.	Ferris & Co.	First Pr...	... & Co
1969								
1	Bid	--						
	Asked	--						
2	Bid	12.25						
	Asked	13.25						
[illegible]	Bid	--						
	Asked	--						
6	Bid	--						
	Asked	--						
7	Bid	--						
	Asked	--						
8	Bid	--						
	Asked	--						
9	Bid	--						
	Asked	--						
12	Bid	12.00						
	Asked	12.75						
13	Bid	--						
	Asked	--						
14	Bid	--						
	Asked	--						
15	Bid	--						
	Asked	--						
16	Bid	--						
	Asked	--						
19	Bid	9.75						
	Asked	10.75						
20	Bid	--						
	Asked	--						
21	Bid	10.25						
	Asked	11.00						
22	Bid	10.25						
	Asked	11.25						

Kidder, Peabody & Co.	Koplmeyer & Co.	McDonnell & Co.	Ralph C. Morgan	Reich & Co.	V. J. Shah & Co.	White, Weld & Co.
		11.25				--
		12.25				--
		12.00				
		13.00				11.75
						12.75
		--				
		--				--
						--
		12.00				
		13.00				--
						--
		--				
		--				--
						--
		11.50				
		12.50				--
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		12.00				
		13.00				--
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		10.50				
		11.50				--
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		10.50				
		11.50			10.00	--
					--	--
		--				
		--			10.00	--
					--	--
		10.50				
		11.50			10.00	--
					--	--

		Abraham & Co.	A. W. Benkert & Co.	A. G. Edwards & Sons	Emanuel, Deetjen & Co.	Ferris & Co.	First Prudential
May 1969 (Cont'd)							
23	Bid	--					
	Asked	--					
26	Bid	10.75					
	Asked	11.25					
27	Bid	--					
	Asked	--					
28	Bid	--					
	Asked	--					
29	Bid	--					
	Asked	--					
June 1969							
2	Bid	--					
	Asked	--					
3	Bid	9.50					
	Asked	11.50					
4	Bid	--					
	Asked	--					
5	Bid	--					
	Asked	--					
6	Bid	9.50					
	Asked	10.25					
9	Bid	--					
	Asked	--					
10	Bid	--					
	Asked	--					
11	Bid	--					
	Asked	--					
12	Bid	--					
	Asked	--					
13	Bid	--					
	Asked	--					
16	Bid	8.50					
	Asked	9.50					
17	Bid	8.75					
	Asked	9.50					
18	Bid	--					
	Asked	--					

s & Co.	Kidder, Peabody & Co.	Kopmeyer & Co.	McDonnell & Co.	Ralph C. Morgan	Reich & Co.	V. J. Shah & Co.	White, Weld & Co.
			10.50			10.00	--
			11.50			--	--
			10.50	--		10.00	--
			11.50	11.25		--	--
			10.50	--		10.00	--
			11.50	11.25		--	--
			--	--		10.00	--
			--	11.25		--	--
			10.00	--		10.00	--
			11.00	11.25		--	--
			9.75	--			
			10.75	11.25			
				--			--
				11.25			--
			9.50	--			--
			10.25	11.25			--
			--	--			--
			--	11.25			--
			9.50	--			--
			10.25	11.25			--
			9.50	--			--
			10.50	11.25			--
			9.50				--
			10.25				--
			9.00				--
			10.00				--
			8.50				--
			9.50				--
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			8.50				--
			9.50				--
			8.50				--
			9.50				--
			8.50				--
			9.50				--

		Abraham & Co.	A. W. Benkert & Co.	A. G. Edwards & Sons	Emanuel, Deetjen & Co.	Ferris & Co.	First Prudential Corp.	& Co.
e 1969 (Cont'd)								
19	Bid	--						
	Asked	--						
20	Bid	--						
	Asked	--						
23	Bid	--						
	Asked	--						
24	Bid	--						
	Asked	--						
25	Bid	--						
	Asked	--						
26	Bid	--						
	Asked	--						
27	Bid	--						
	Asked	--						
30	Bid	--						
	Asked	--						
ly 1969								
1	Bid	7.50					7.75	
	Asked	8.50					8.75	
2	Bid						7.75	
	Asked						8.75	
3	Bid						--	
	Asked						--	
7	Bid	--					7.75	
	Asked	--					8.50	
8	Bid	8.00					--	
	Asked	8.75					--	
9	Bid	--					7.50	
	Asked	--					8.50	
10	Bid	--					8.00	
	Asked	--					8.75	
11	Bid	--					7.75	
	Asked	--					8.50	

IG
7/14/69

Kidder, Peabody & Co.	Kuhlmeyer & Co.	McDonnell & Co.	Ralph C. Morgan	Reich & Co.	V. J. Shah & Co.	White, Weld & Co.
		8.50				--
		9.50				--
		8.00				--
		9.00				--
		7.50				--
		8.50				--
		8.00				--
		9.00				--
		7.75				--
		8.75				--
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Comparison of Bangor Punta with Selected Companies

COMPANY	Bangor Punta Corporation		Chris-Craft Industries, Inc		Whittaker Corporation		Brunswick Corporation		Indian Head Inc.		Fuqua Industries, Inc.(a)	
CAPITALIZATION — Date — (000)	3/31/69FF (g)		2/28/69 FF cc)		10/31/68		12/31/68		11/30/68 FF gg)		12/31/68FF(a)	
SENIOR DEBT AND MINORITY INTEREST	$123,782	49.8%	$16,458	19.2%	$ 16,116	8.8%	$100,985	34.0%	71,886	40.0%	$17,945	19.6%
SUBORDINATED DEBT	26,757	10.8	29,502	34.5	78,395	42.9	25,623	8.6	45,000	25.1	37,841 -	41.3
TOTAL LONG-TERM DEBT	$150,539	60.6%	$45,960	53.7%	$ 94,511	51.7%	$126,608	42.6%	116,886	65.1%	$55,786	60.9%
PREFERRED STOCK	31,959	12.9	19,017	22.2	18,847	10.3	--	--	14,593	8.1	4,355	4.8
COMMON STOCK AND SURPLUS	65,790	26.5	20,638	24.1	69,318	38.0	0,469	57.4	48,141	26.8	31,469	34.3
TOTAL CAPITALIZATION	$248,288	100.0%	$85,615	100.0%	$182,676	100.0%	077	100.0%	179,620	100.0%	$91,610	100.0%
COMMON SHARES OUTSTANDING	3,649,849		$49,617 3,201,066	40.1%	14,070,513		18,479,969		4,107,572		4,833,170	
COMMON EQUITY AT MARKET (000)	$ 92,615	54.7%			$332,416	21.2%	92,699	24.4%		46.6%	$195,743	21.5%
% DEBT INCL. COMMON AT MARKET	($9,260 Nts.Role;$3,661)		($15,000 Bank Loan)		($26,785 Bank Notes)		($8,054 Curr. Port.)		119,120		($24,801 Notes Payable;$2,780 Current Por. L.T.D.)	
Total Short-Term Debt (000)	($12,921 (Curr.Port. LTD)		$16,700($1,700 Curr Mrt LTD)		$34,913($900 Other Notes; ($7,228 Curr. LTD		$22,381(LTD;$4,327 Nts.Rble		$1,377(Curr. Port. LTD)		$27,581	49.4%
AS % OF TOTAL LONG-TERM DEBT	8.6%		36.3%		36.9%		17.7%		1.2%			
Book Value Per Share	$18.03		$6.45		$4.93		$9.22		$11.72		$6.51	
AS % OF MARKET VALUE	71.1%		41.6%		20.9%		43.4%		40.4%			
Return on Average Common Equity	11.0%		13.7%		30.4%		8.0%		15.7%		35.1%	
Current Ratio	2.97 - 1.00		1.51 - 1.00		1.90 - 1.00		2.93 - 1.00		2.56 - 1.00		1.39 - 1.00	
INCOME ACCOUNT DATA — (000)												
Years Ended:	9/30		Years Ending 12/31--'64-'66		10/31(aa)		12/31		11/30		12/31	
			Years Ending 8/31--'67-'68									
NET SALES—OPERATING PROFIT MARGIN YEAR1964	$ 41,851		$75,459	12.1%	$176,778	N.A.	$302,217	N.A. %	$216,008	10.4%	$135,692	12.3%
YEAR1965	63,154	N.A.	83,534	13.8	213,577		314,876		269,401	10.8	151,586	11.9
YEAR1966	117,058	10.0%	79,920	12.2	313,616	9.4%	344,648	5.6	294,103	10.5	181,768	12.4
YEAR1967	142,996	9.0	86,895	11.7	381,561	9.9	379,119	8.0	330,928	10.3	196,576	11.7
YEAR1968	240,106	9.3	89,030	10.6	517,123	10.7	421,591	-- %	399,531	10.7	221,950	12.2
% CHANGE—AVERAGE 1964-1968	+473.7%	9.4%(h)	+18.0%	12.1%	+192.5%		+39.5%		+71.1%	10.5%	+63.6%	12.1%
PRE-TAX INCOME—NET INCOME YEAR1964	$ 4,407	$ 2,449(i)	$ 6,265	$3,307 f)	$ 6,756	$ 3,966(v)	$ 1	$ 950	$ 14,800	$7,128	$ 9,370	$ 4,307(t)
YEAR1965	5,025	2,605(j)	8,362	4,400 n)	8,936	5,127(w)	N.A.	($6,724)	16,623	9,539	11,166	5,288
YEAR1966	8,212	4,250(k)	7,289	4,003 o)	21,273	11,398(x)		3,337	19,240	9,871	14,280	6,597
YEAR1967	8,389	5,571	7,528	3,998 c)	28,308	15,742(y)	11,266	6,566	20,344	9,747	13,617	6,581
YEAR1968	13,566	7,295(l)	6,622	3,488	42,113	21,958(z)	24,841	12,606	26,122	12,072	19,102	9,156
% CHANGE 1964-1968	+207.8%	+197.9%	+5.7%	+5.5%	+523.3%	+453.7%	-%	+1226.9%	+76.5%	+69.4%	+71.1%	+112.6%
COMPOUND ANNUAL GROWTH RATE OF NET INCOME	31.1%		1.3%		53.5%		90.8%		14.1%		20.7% (t)	
DEPRECIATION—CASH FLOW* YEAR1964	N.A.	N.A.	$1,424	$4,731(f)	N.A.	N.A.	$10,324	$	$ 5,213	$12,341	$ 6,856	$11,396
YEAR1965			1,524	5,924(n)			14,758	N.A.	6,810	15,349	6,463	11,490
YEAR1966	$2,215	$6,965(k)	1,568	5,556(o)	$ 5,358	$16,756	13,383		7,985	17,856	7,170	14,154
YEAR1967	1,963	8,359	1,553	5,551(c)	6,412	22,154	12,056	13,877	8,930	18,677	8,212	15,027
YEAR1968	4,058	12,853(l)	1,688	5,176	8,268	30,226	12,431	17,887	8,975	21,047	7,234	17,058
% CHANGE 1964-1968	+83.2%(h)	+53.8%(h)	+18.5%	+9.4%	+54.3%(h)	+80.4%(h)	+20.4%	-%	+72.2%	+70.5%	+5.1%	+49.7%
COMMON STOCK DATA												
Per Share:											(t)	
Earns. Reported/Earns. Diluted/ YEAR1964	$1.25(i)	--	$0.69 f)	$ --	$0.26(v)	$ --	$0.05	$ --	$1.34	$0.40	$0.88	$0.15
Dividends YEAR1965	1.33(j)	--	1.04 n)	--	0.34(w)	--	(4.21)	--	1.79	0.40	1.11	0.15
YEAR1966	2.10(k)	$0.10	0.95 o)	0.125	0.79(x)	--	0.18	--	2.21	0.475	1.38 (u)	0.15
YEAR1967	2.44 $2.36	0.50	1.07 c)	$0.90c) 0.375	1.08(y) $1.06	--	0.36 (ee)	--	2.10 $1.77	0.55	1.27	0.16
YEAR1968	2.40(1) 2.27	0.60	0.95	0.78 0.65	1.43(z) 1.41	--	0.68	--	2.61 2.0	0.60	1.00	0.19
AVERAGE 1964-1968	$1.90 $2.32(b)	$0.24	$0.94	$0.84b)$0.23	$0.78 $1.24	--	$(0.59)	$ --	$2.01 1.914)	$0.49	$1.29	$0.16
LATEST 12 MONTHS	$2.33(m)$2.20(3/31/69)	NYSE	$0.98 p)	$0.80q)(2/28/69)	$1.55 NYSE $1.53 (4/30/69)		$0.73 (3/31/69)	NYSE	$2.75 $2.14 (3/31/69)		$1.88 (3/31/69)	N.A.
WHERE LISTED												
RANGE/PRICE EARNINGS RATIO YEAR1964	17 1/4-13 1/4	13.8-10.6	7 1/2- 5 1/8	NYSE 12.1-7.4	1 3/4- 7/8	7.3- 3/6	12 3/8- 7 3/4	247.5-155.0	18 1/4-13 3/8	NYSE 14.3-10.4	4 3/4- 3 3/4	5.4- 4.2
YEAR1965	32 3/4-13 5/8	24.6-10.2	10 1/2- 5 1/4	11.3- 5.6	3 - 1 1/4	12.5- 5.2	11 1/2- 7 1/8	-- --	21 -15 3/4	11.9- 8.9	7 3/8- 4	6.6- 3.6
YEAR1966	36 1/4-18 5/8	17.3- 8.9	13 - 6 3/4	15.9- 8.2	4 3/80 2 3/4	18.0- 6.7	12 1/4- 6	68.1- 33.3	26 3/4-16 3/4	10.5- 6.6	15 1/2- 6 1/8	11.2- 4.4
YEAR1967	35 -23 7/8	22.5- 9.8	22 3/4-10 1/2	21.3- 9.8	45 7/8- 6 5/8	58.1- 8.4	14 5/8- 7	40.6- 19.4	42 1/2-18 5/8	20.2- 8.9	37-13 3/8	29.1-10.5
YEAR1968	61 1/8-35 5/8	25.5-14.8	22 1/2-13 1/4	23.7-13.9	45 5/8-28 3/8	31.9-19.8	20 3/4-12 1/2	30.5- 18.4	42 1/2-29 1/2	17.8-11.3	46 1/2-29 3/8	25.8-16.3
	50 3/8-23 5/8	21.6-10.1	29 1/2-15 1/2	23.7-15.3	32 3/4-21	21.1-15.5	25 -16 1/8	34.2- 22.1	42 1/2-27 1/8	15.5-10.5	47 -34	25.0-18.1
	25 3/8	10.9	15 1/2	15.8	23 5/8	15.8	20	29.1	26 3/4	10.5	37	21.5
YEAR TO 7/11/69												
CURRENT PRICE 7/11/69												
Current Price/Diluted Earns. Ratios												
Two Year Average		10.9		18.5		29.1		-- (ff)		15.2		31.4 (ff)
LATEST YEAR 1968		11.2		19.9		16.8		31.3		14.2		22.5
LATEST 12 MONTHS		13.5		19.4		15.4		29.1		13.6		21.5
				$0.10hh)								
INDICATED DIVIDEND RATE AT CURRENT PRICE		2.36%		0.85%		3% Stk. plus 1/10 common warrant		$0.10		$0.60		$ -- (bb)
DIVIDEND PAYOUT:						-- %		0.47%		2.07%		--
YEAR-YEAR 1964-1968		10.4%		24.5%		--		-%		24.4%		12.4%
LATEST YEAR 1968		25.0		68.4		--		--		23.0		10.6
LATEST 12 MONTHS		25.8		10.2		--		13.7		21.8		--

* INCLUDES NET INCOME, DEPRECIATION, AND DEFERRED TAXES.

Footnotes

(a) In April, Co. acquired Trojan Seed Co. in exchange for 143,000 common shares plus up to an additional 142,998 shares based on future earnings. Co. also acquired Leak Enterprises, Inc. for 10,000 common shares. In May, Co. acquired Career Enterprises for an undisclosed number of Co. common shares.
(b) Two-year average.
(c) Excludes extraordinary loss of ($14M)($0.01) per common share).
(f) Excludes net extraordinary gain $214M ($0.06 per common share).
(g) Pro forma for acquisition of 37.5% of Piper Aircraft and additional $17,800M of term notes; proceeds to repay revolving loan and to working capital.
(h) Three years.
(i) Before special item of $1,300M or $0.67 per share.
(j) Before special item of $2,973M or $1.53 per share.
(k) Before special item of $1,319M or $0.65 per share.
(l) Before special item of $46M or $0.28 per share.
(m) Before special item of $2,300M or $0.61 per share.
(n) Excludes net extraordinary gain $214M ($0.06 per common share).
(o) Excludes net extraordinary gain $[illegible]M ($0.30 per com. share.)
(p) Pro forma assuming Piper is 33.[illegible]% owned and excluding extraordinary gain of $ .11
(q) Pro forma assuming Piper is 33.[illegible]% owned and excluding extraordinary gain of $[illegible]. No dilution figures are available.
(r) Using reported earnings.
(s) Pro forma for sale of $22,000M 8% Senior Subordinated Notes; proceeds to retire debt, purchase company, & for working capital; also for $10,[illegible]M take-down of revolving credit.
(t) Before special items as follows:
1964: $[illegible]M or $[illegible] per share;
1965: $[illegible]M or $(.[illegible] per share;
1966: $[illegible]M or $.[illegible] per share;
1967: $440M or $0.10 per share;
1968: $99M or $0.02 per share.
LTM: $119M or $0.02 per share.
(u) Shares issuable for contingencies, warrants and options would increase shares presently outstanding by 49.3%. No per share dilution figures are available.
(v) Excludes extraordinary gain $651M ($0.04 per common share).
(w) Excludes extraordinary gain $1,671M ($0.12 per common share).
(x) Excludes extraordinary gain $1,059M ($0.08 per common share).
(y) Excludes extraordinary gain $333M ($0.02 per common share).
(z) Excludes extraordinary gain $1,450M ($0.10 per common share).
(aa) Recent acquisitions include an 80% interest in Titanium West Aircraft, Hydroforming, Inc. & Trojan Boat.
(bb) Co. plans mid-year warrant distribution & year end 2% stock dividend.
(cc) Pro forma for reconciliation of preferred issues with 3/31/69 balance sheet presentation. Chris-Craft has been reported with an investment in Piper, representing a 33.8% ownership of that company's stock.
(ff) Before special item of $1,[illegible]M or $0.77 per share.
(gg) Shares issuable for options and conversion of debentures would increase outstanding shares by approximately [illegible]%. No dilution figures are available.
(ff) On actual earnings.
(gg) Pro forma for adjustment of 11/30/68 debt structure to 2/1/69 presentation.
(hh) Plus $0.50 in stock.

MLH/KEK:/PLK-6/13/69

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BANGOR PUNTA

NYSE-BNK

Recent Price 32 | Estimated Yield (1) 2.0% | Net debt/unrecovered cost 5/6 goes ex about 6/17

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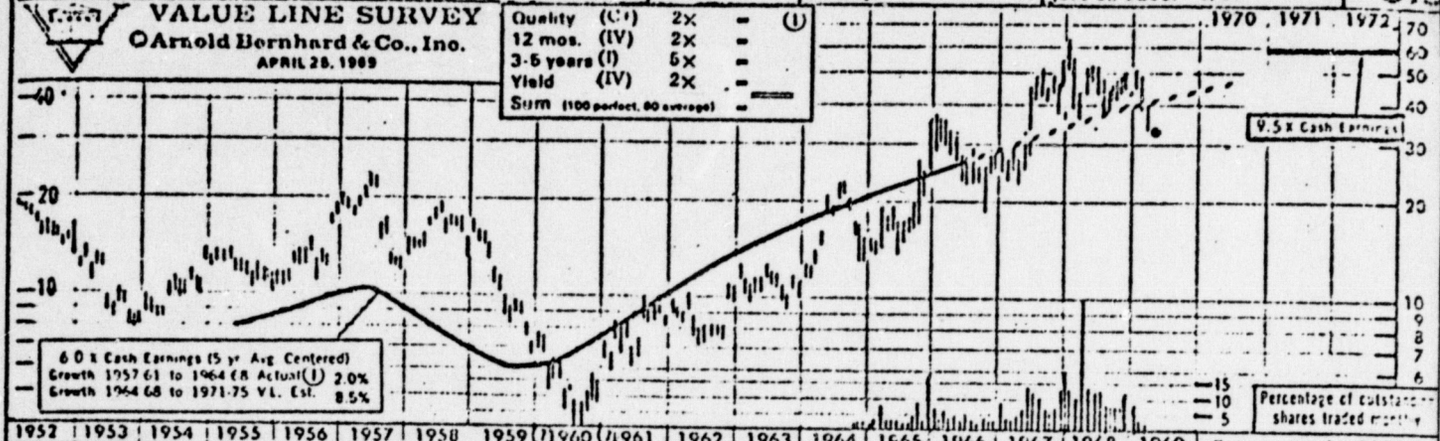
VALUE LINE SURVEY
© Arnold Bernhard & Co., Inc.
APRIL 28, 1969

Quality	(C+)	2×	(1)
12 mos.	(IV)	2×	
3-5 years	(I)	5×	
Yield	(IV)	2×	
Sum	(100 perfect, 80 average)		



1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	Estimates on stocks 1972-74
22.6	16.0	14.4	13.4	14.2	20.8	18.3	17.4	(1)-	(1)-	14.0	46.3	(4)65.7	85.5	132.1	160.6	258.9	370	Sales ($ mill.) 880
15.1%	13.6%	12.3%	12.6%	15.8%	20.5%	17.2%	11.8%	--	--	26.9%	10.2%	5.1%	4.5%	9.4%	8.4%	(5)9.4%	9.5%	Profit Margin (1) 10%
12.0	11.8	11.6	11.8	12.3	11.8	11.5	11.7	.5	4.3	7.7	7.7	9.1	18.6	26.4	45.3	120.2		Working Capital ($ mill.)
.6	.5	.5	.4	.4	.3	.3	.2	--	3.2	4.7	4.8	(3)36.4	(3)13.9	34.0	60.3	179.8		Bonds & Fld. ($ mill.)
7.9	8.2	8.2	8.1	8.2	8.5	9.1	9.0	--	--	2.6	3.5	37.2	38.1	16.7	26.7	63.7		Net Plant ($ mill.)
2.1%	2.9%	2.9%	2.9%	3.0%	3.0%	3.2%	3.5%	--	--	40.9%	25.8%	--	--	10.3%	6.3%	3.6%		Depreciation Rate (1)
9.1%	3.5%	4.1%	4.1%	6.2%	12.0%	9.3%	3.5%	.3%	2.9%	17.4%	22.5%	10.1%	13.1%	27.8%	8.1%	3.5%		% Earned Total Cap'l
9.3%	3.5%	4.1%	4.2%	6.2%	12.1%	9.3%	3.5%	.3%	1.7%	28.4%	36.1%	--	--	--	17.5%	5.8%		% Earned Common Eq'ty
14.38	14.33	14.59	14.77	15.15	15.01	15.41	15.67	15.62	2.92	4.03	4.56	--	--	--	27.82	42.15		Book Value per sh.
4.7%	1.5%	3.8%	3.1%	4.5%	1.0%	4.4%	4.4%	.3%	14.1%	--	--	--	--	--	12.3%	7.9%		Capital Growth Ratio (1) Fully Diluted
16.14	11.37	10.30	9.58	10.13	14.85	13.22	12.61	--	--	10.09	33.28	47.50	59.21	84.92	98.70	98.52	130.00	Sales per sh. 115.
1.53	.79	.89	.91	1.25	2.15	1.81	.98	.05	.41	2.60	3.13	2.37	3.06	5.96	4.23	3.96	5.00	Cash Earn'gs per sh (1) 6.
2.03	.44	.31	.21	.41	.56	.77	.42	--	--	1.34	2.13	--	--	1.45	2.65	2.52		Capital Spending per sh.
1.33	.51	.60	.61	.94	1.82	1.44	.54	.05	.05	1.14	1.65	2.37	3.06	4.54	3.03	2.44	3.00	Reported Earn'gs sh. 4.5
.56	.57	.34	.46	.57	2.00	1.14	.29	---	--	--	--	--	--	.20	.50	.60	.60	Div'ds Declared sh. 1.0
56%	72%	34%	50%	45%	93%	63%	29%	--	--	--	(5)-	(3)-	8%	6%	19.9%	18.9%	22%	Div'd Payout Ratio (1) 15
12.7	23.3	16.9	19.4	12.7	10.1	10.5	24.2	--	--	7.5	6.5	6.5	5.2	6.1	12.9	16.6		Avg Annual P/E Ratio 1.5
5.1%	4.3%	3.4%	3.3%	4.5%	10.9%	7.6%	2.2%	--	--	--	--	--	--	.7%	1.3%	1.5%		Avg Annual Div'd Yield 1.5
						9.0%	1.9%	-14.0%	-6.6%	3.4%	10.4%	24.6%	51.2%	34.0%	18.1%	9.0%		5 year Growth Rate (1)

Price to Earnings Ratio		Dividend Yield		QUALITY in terms of	PERFORMANCE	APPRECIATION	INCOME (Yield)	NORMAL AVERAGE PRICE
'68 Median	Current 13.2	'68 Median	Current (1) 2.0%	Stability (15 Yr Growth / 5 Yr Size, Median Yield, Etc.) C+ (2)	Next 12 Months BELOW AVERAGE (2)	Potential 1972-74 HIGHEST (5)	Next 12 Months BELOW AVERAGE (2)	1972-74 Est'd 67 (+85%)
NMM		NMM						

CAPITAL STRUCTURE as of 9/30/68

Debt $134.9 mill. Interest $8.4 mill. (Incl. $15.0 mill. 5 1/4% deb. cv. into com. at $55 to 7/1/88; incl. $4.2 mill. 6% cv. notes into com. at $33.17.)

Pfd Stock $44.9 mill. Div'd $1.68 mill. (Incl. 509,059 sh. Ser. A $1.25 pf. cv. into 1 sh. com.; 50,000 sh. Ser. B $1.25 pf. cv. into 1 sh. com.; 574,214 sh. (1)

Common Stock 2,627,509 shares

Fiscal Year Ends	QUARTERLY SALES ($ Millions) Dec. 31	Mar. 31	June 30	Sept. 30	Full Fiscal Year
1965	17.7	20.2	19.5	28.1	85.5
1966	30.7	33.7	19.6	48.1	132.1
1967	36.8	34.6	42.9	46.3	160.6
1968	50.5	62.8	74.3	71.3	258.9
1969	83.8	90.2	91	100	370

Fiscal Year Ends	QUARTERLY EARNINGS (per sh.) Dec. 31	Mar. 31	June 30	Sept. 30	Full Fiscal Year
1963		.57		1.09	1.66
1964	NA	NA	NA	NA	2.60
1965	.68	.81	.98	.59	3.06
1966	1.05	1.12	1.74	.63	4.54
1967	.64	.64	1.18	.53	3.03
1968	.52	.56	.82	.42	2.32
1969	.47e	.59	.92	.52	2.50

Calendar	QUARTERLY DIVIDENDS PAID Mar. 31	June 30	Sept. 30	Dec. 31	Full Year
1963	--	--	--	--	(3) --
1964	--	--	--	--	(3) --
1965	--	--	--	--	--
1966	--	--	.10	.10	.20
1967	.10	.15	.15	.15	.55
1968	.15	.15	.15	.15	.60
1969	.15				

Bangor Punta shares offer rewarding capital appreciation prospects for the long term. However, first quarter earnings per share were below those of the comparable period last year on a 35% addition to average common shares outstanding (on a residual basis) as well as a higher tax rate largely due to the surtax. Continuation of the surtax for the full year would clip about 15¢ from per share earnings. While we expect profits to accelerate in the second half, performance in the months immediately ahead is likely to lag that of the general market.

The Funds hold more than 10% of common shares oustanding. Total shares included in the portfolios of five Investment Companies whose transactions we regularly monitor number 298,000. A 35,700 share disposal by Madison Fund was nearly balanced by a 30,966 share new commitment made by Colonial Fund in the latest reporting period. Insiders have bought (or acquired through exchange of convertible securities) a total of 15,205 common shares in recent months.

Gains realized from the company's "asset management" will continue to contribute to Bangor's financial health. Management includes income generated from profits on the disposition of securities held in the company's portfolio in reported earnings per share. We have not done so, but recognize that Bangor talent in acquiring stock options in the clien of its management advisory service and th subsequently developing such holdings in realizable profits constitutes a valuab addition to cash reserves for futu acquisitions. In the first quarter, extra pro of 29¢ a share was thus realized. Future gai may come from Bangor's holdings of 139,(shares in Lenox Inc., acquired at $27 and no selling at $48 per share.

Bangor Punta's fastest growing divisio are also the most profitable. The Leisur Time and Public Security Groups provid 29% and 26%, respectively, of the company operating profits. Internal sales growth these segments has been close to 25% per ye in the last four years.

Our projections for 1972-74 assume fu dilution. We have based our estimates earnings per share on the number of shar that would be outstanding if all convertib securities were exchanged for common stoc We have eliminated interest and dividen expenses associated with both preferred an debt issues, and have added a reasonab return provided by funds obtained from t potential exercise of warrants and options.

D.S.F

BUSINESS: Bangor Punta Corporation sales by groups in fiscal 1968 were: leisure time 24% (power and other boats, emblematic jewelry); fashion fabrics 30% (fiber, bonding and knitting); process engineering 14% (bulk handling equip., furnaces, waste systems); transportation 6% (R.R. freight in Maine); public security 9% (Smith & Wesson, riot control and police equip.); energy systems 3% (Waukesha Motor Co. acquired Aug. '68); agribusiness 10% (Producers Cotton Oil Co.); professional services 4% (civil & sanitary eng., acquisition and fin. planning). Sales have risen 1275% since 1957-59 (GNP, 88%). Has 5,4[illegible] stockholders, over 8,000 employees. Officers and directors own 26% of common. Chrmn.: N.M. Salgo; Pres.: D.W. Wallace, Inc.: Del. Address: 405 Park Ave., N.Y., N.Y. 10022.

(1)-See Explanation of Terms on p. 337. (2)-Div'd payment dates: Mar. 1, June 1, Sept. 1, Dec. 15. (3)-Incl. Residual Sec. in 1968 and subsequent years. (4)-Excl. 29¢/sh. gain from asset management. (5)-Stk. div'ds: 2% 1963, 3% 1964. (6)-Fiscal yr. ends Sept. 30. (7)-Seizure of Cuban subs. by Cuban Gov't, (8)-Acquired Waukesha -- 8-68. (9)-Ser. C $2.00 pf. cv. into 1.1 com.

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BNK[1]

Bangor Punta Corp.

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Stock—	Approx. Price	Dividend	Yield
COMMON	33½	[2]$0.60	[2]1.8%
$1.25 CONV. PREFERENCE	34¾	1.25	3.6
$2.00 CONV. PREFERENCE	47¼	2.00	4.2

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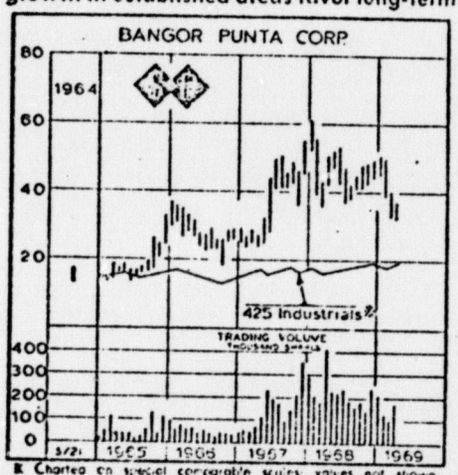
RECOMMENDATION: Bangor Punta is a diversified company with interests in leisure time products, public safety equipment, capital goods, textiles, cotton processing, and a railroad. It pursues an active acquisition program, the most recent major addition being Waukesha Motor Co. Currently, it proposes to acquire Piper Aircraft Corp., which is also being sought by Chris-Craft Industries. The continuing expansion program and the likelihood of moderate growth in established areas favor long-term progress.



R Charted on special comparable scales, values not shown.

[3]COMMON SHARE EARNINGS ($)

Period:	1968-9	1967-8	1966-7	1965-6
3Mos.Dec.	0.75	0.52	0.56	1.00
6Mos.Mar.	1.31	1.01	1.14	1.05
9Mos.June		1.90	1.94	1.93
12Mos.Sept.		2.32	2.41	2.34

Sales for the six months ended March 31, 1969, rose 49% from those in the same period of fiscal 1967-8, as restated to include two companies acquired in 1969 on a pooling-of-interests basis. The gain reflected the inclusion of two other companies purchased in 1968, and internal growth in the leisure time and public security divisions. Results were penalized by Producers Cotton Oil Co., which did not add as much to profits as it did to sales. Pretax income from operations advanced 36%. After taxes at 50.3% (including the surcharge for six months), against 50.0% (including the surcharge for three months), and income from asset management, net income increased 78%. Earnings per share equaled $1.31 ($0.98 from operations and $0.33 from asset management), against $1.01 ($1.00 from operations and $0.01 from asset management), both assuming full conversion of all preference stock and 6% convertible notes.

PROSPECTS

Near Term—Apart from proposed acquisitions, sales for the fiscal year ending September 30, 1969, should show a worthwhile advance from 1967-8's record volume of $240.1 million. It is anticipated that major contributions to this growth will come from the company's leisure time and public security operations.

The higher volume and an expected improved product mix should enable earnings for fiscal 1968-9 to show a healthy year-to-year gain from the $2.32 a share of 1967-8. Prospective growth for most divisions enhances the outlook for 1969-70. Dividends should continue at $0.15 quarterly.

Long Term—Except for the railroad, growth prospects in most divisions are satisfactory.

RECENT DEVELOPMENTS

The company has contracted to acquire more than 500,000 common shares (at least 30%) of Piper Aircraft Corp. from the Piper family, and is preparing an exchange offer for all remaining Piper shares. In both cases, a package of Bangor Punta securities would be exchanged for the Piper shares, with an estimated value of not less than $80 per Piper share. The offer is being opposed by Chris-Craft Industries (owner of 556,206 Piper shares), which plans an exchange offer for 300,000 additional Piper shares, which would give it 52.15% of the total shares. For the six months ended March 31, 1969, Piper earned $2.73 million on sales of $51.4 million.

DIVIDEND DATA

At September 30, 1968, $3,900,000 was available for dividends. Payments:

Amt. of Divd. $	Date Decl.	Ex-divd. Date	Stock of Record	Payment Date
0.15...	Aug. 6	Aug. 22	Aug. 27	Sep. 16'68
0.15...	Oct. 1	Nov. 21	Nov. 27	Dec. 16'68
*.....	Dec. 3	Jan. 27	Jan. 31	Feb. 28'69
0.15...	Feb. 11	Feb. 24	Feb. 28	Mar. 17'69
0.15...	Apr. 1	May 23	May 29	Jun. 16'69

*15/100ths of a warrant for ea. shr. held.

[1]Listed N.Y.S.E.; common also traded Boston & Phila.-Balt.-Wash. S.Es. [2]Indicated rate. [3]As reported, gives effect to pooled acquisitions where applicable; assumes conv. of residual secs. aft. 1965-6

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Vol. 36, No. 98 Wednesday, May 21, 1969 Sec. 3

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[1]INCOME STATISTICS (Million $) AND PER SHARE ($) DATA

Year Ended Sept. 30	[2]Sales & Oper. Revs.	%Oper. Inc. of Revs.	Oper. Inc.	Deprec. & Amort.	[3]Net Bef. Taxes	[4]Net Inc.	——Common Share ($) Data—— [44]Earns.	Divs. Paid	Price Range	Price-Earns. Ratios HI LO
1969--	-----	---	---	---	---	---	---	[6]0.45	50⅜-32⅛	-----
1968--	240.11	9.3	22.28	4.06	13.57	7.29	[7]2.32	0.60	61⅛-35⅝	26-15
1967--	143.00	9.0	12.80	1.96	8.39	5.57	[7]2.41	0.50	55 -23⅞	23-10
1966--	117.06	10.0	11.68	2.21	8.21	4.25	2.34	0.10	36¼-18⅜	15- 8
1965--	61.46	9.1	5.59	1.59	5.02	4.96	3.09	Nil	32¾-13⅛	11- 4
1964--	65.67	8.5	5.61	2.24	4.25	3.28	2.12	[8]--	17¼-13¼	8- 6
1963--	58.79	8.6	5.04	2.21	3.32	2.95	1.88	[8]--	12⅛- 9⅛	6- 5

[1]PERTINENT BALANCE SHEET STATISTICS (Million $)

Sept. 30	Total Assets	Cash Items	Inventories	Receivables	——Current—— Assets	Liabs.	Net Workg. Cap.	Cur. Ratio Assets to Liabs.	Long Term Debt	[5]($) Book Val. Com. Sh.
1968--	301.97	54.49	68.38	43.11	167.53	47.37	120.16	3.5-1	134.91	----
1967--	144.40	8.01	36.53	27.19	72.67	27.33	45.33	2.7-1	64.27	----
1966--	101.56	7.39	23.37	22.54	53.97	27.53	26.44	2.0-1	35.28	9.75
1965--	67.81	5.32	12.39	17.99	36.50	17.87	18.64	2.0-1	14.08	13.18
1964--	39.28	2.95	12.01	9.05	24.60	15.49	9.10	1.6-1	4.96	4.16
1963--	36.06	5.76	9.32	8.46	24.04	12.84	11.19	1.9-1	6.07	----

[1]Punta Alegre Sugar Corp., Bangor & Aroostook Corp. & Punta Alegre Commodities Corp. in 1963 & 1964; figs. for 1966 & 1965 incl. O'Day Corp. acquired in August, 1966 on pooling of interests basis and also give effect to the 1966 disposals of Goal Credit and C-G-F Topeka Grain Corp. [2]Excludes railroad. [3]Incl. equity in undistributed income of railroad. [4]Bef. spec. crs. of $0.29 a sh. in 1968, $0.85 in 1966, $0.42 in 1965, & $0.73 each in 1964 & 1963. [5]3% in stk. in 1963 & 1/10 sh. of $1.25 conv. pref. in 1964, all paid aft. fiscal year end. [44]Earns. based on residual secs. aft. 1967. [7]Pro forma earns. on a fully diluted basis would have been $2.55 in 1968 & $2.36 in 1967. [8]Plus 15/100ths of a warrant for ea. shr. held.

Fundamental Position

This company is the result of the late-1964 merger of the Bangor & Aroostook Corp. and Punta Alegre Sugar, whose Cuban sugar properties had been expropriated in 1960. The company has made numerous acquisitions, and now operates in eight areas: leisure time which contributes 24% of sales and 33% of profit; fashion fabrics, 30% of sales and 15% of profits; process engineering 14% and 8%; transportation 6% and 1%; public security 9% and 30%; energy systems 3% and 2%; agribusiness 10% and 6%; and professional services 4% and 5%.

LEISURE TIME PRODUCTS: Includes Smith & Wesson handguns for law enforcement; Kinney and Bale Pin. rings and jewelry for schools, businesses and the military; and Luhrs, Jensen Marine, O'Day, Starcraft, and Seagoing Boats, campers, sail and power boats.

PROCESS ENGINEERING: Comprised of Bartlett-Snow-Pacific, FECO, Barker and Jetstream. B-S-P is the largest supplier of ammonium nitrate processing machinery. FECO's divisions manufacture metal-decorating and foundry ovens and hydraulic steel and aluminum bending presses.

FASHION FABRICS: Crown Fabrics--one of the country's largest textile converters. Knitbrook Mills Associates--one of the largest suppliers of bonded knitted fabrics.

PROFESSIONAL SERVICES: Pameco-Aire and Refrigeration and Power Specialties are distributors of refrigeration, air conditioning, and heating equipment. Metcalf & Eddy, an international consulting engineering firm with sales of about $10 million, was acquired in October, 1967.

PUBLIC SECURITY: This area includes Lake Erie Chemical, a manufacturer of tear gas, and Smith & Wesson, specializing in law enforcement equipment.

AGRIBUSINESS: Cotton growing and processing is conducted by the 96.4%-owned Producers Cotton Oil Co., acquired in Nov., 1967.

TRANSPORTATION: Bangor & Aroostock, a class I railroad, owns and operates 563 miles of railroad in Maine.

ENERGY SYSTEMS: Includes Waukesha Mot[illegible] July 30, 1968, which manufactures a wide variety of engine-generator systems.

In August, 1968, the company purchased an undisclosed amount of stock in INA Corp.

On August 26, 1968, the company announced that it had agreed, subject to stockholder approval and a favorable tax ruling, to acquire Crosman Arms Co., Inc. Crosman, a privately-owned maker of compressed air and gas pistols, rifles, and shotguns, earned $1.3 million in 1967.

Finances

Insurance companies hold $60,407,736 of the company's debt, including $4,200,000 convertible into common at $33.15 a share.

CAPITALIZATION

LONG TERM DEBT: $134,906,200, incl. $15,000,000 5¼% debentures due 1988, convertible into common at $55 a share.

$1.25 CONV. PREF. STOCK: 494,988 shs. ($1 par); red. at $25.75 a sh. thru Sept. 1969, then less; conv. into one com. sh.

$1.25 CONV. PREF. STOCK--SER. B: 80,000 shs. ($1 par); red. aft. Feb., 1971 at $43.75 a sh.; conv. into com. share for share.

$2.00 CONV. PREF. STOCK--SER. C: 574,214 shs. ($1 par); red. after July 30, 1973, at $54, then less; conv. into 1.1 shs. of com.

COMMON STOCK: 3,080,142 shs. ($1 par). On a fully diluted basis, earns. would be $2.55 a sh. in 1968 & $2.36 in 1967.

Incorporated in Delaware in 1942. Office—405 Park Ave., NYC 10022. Pres—D. W. Wallace. Secy—J. E. Flick. VP-Treas—T. D. Stephenson. Dirs—N. M. Salgo (Chrmn), W. G. Robertson (Co-Chrmn), H. S. Baker, R. L. Chamber, W. C. Douglas, J. Garvey, W. E. Hill, C. M. Hutchins, G. S. Jones, F. H. Kingsbury, Jr., S. K. Lowry, W. B. McKinney, G. H. Seal, R. G. Stone, W. J. Strout, J. G. Tremoine, D. W. Wallace, H. C. Wood. Transfer Agents—Chase Manhattan Bank, NYC; Old Colony Trust Co., Boston, Mass. Registrars—Morgan Guaranty Trust Co., NYC; First National Bank of Boston, Boston, Mass.

Information has been obtained from sources believed to be reliable, but its accuracy and completeness, and that of the opinions based thereon, are not guaranteed. Printed in U. S. A.

Comparison of Selected Convertible Subordinated Debentures

Company	Automatic Sprinkler	AMK	Commonwealth United	Duplan	Granite Equipment	Gulf & Western	LTV - Electrosystems	Levin Townsend	National Equipment	Northeast Airlines
Purpose of Issue	To repay Short-Term Debt	Exchange Offer to United Fruit	To repay Debt and replenish Working Capital	To repay Bank Debt	To purchase additional equipment	Acquisition of South Puerto Rico Sugar	To repay advances from Parent Company	Exchange offer for National Equities	Equipment Purchases	To finance acquisition of new aircraft
Issue:										
Date Offered	Convertible Subordinated Debentures 7/1/67	Convertible Subordinated Debentures 2/1/69	Convertible Subordinated Debentures 7/1/68	Convertible Subordinated Debentures 2/1/69	Convertible Subordinated Debentures 12/15/67	Convertible Subordinated Debentures 7/1/67	Convertible Subordinated Debentures 4/1/67	Convertible Subordinated Debentures 8/1/68	Convertible Subordinated Debentures 4/1/68	Convertible Subordinated Debentures 8/1/66
Rate / Maturity	4 3/8% / 7/1/87	5 1/2% / 2/1/94	6% / 7/1/83	5 1/2% / 2/1/94	6% / 12/15/87	5 1/4% / 7/1/87	4 1/2% / 4/1/92	7% / 8/1/83	5 1/4% / 4/1/88	6 1/2% / 8/1/86
Amount Outstanding (MM)	$ 25.0	$275.0	$ 15.0	$ 15.0	$ 15.0	$ 52.6	$ 9.8	$ 26.0	$ 25.0	$ 22.0
Ratings: Moody's / Standard & Poor's	B / B	Ba/N. R.	N. R./N. R.	Ba/BB	N. R. /B	B/N. R.	B/B	N. R./N. R.	N. R./B	B/CCC
Redemption Data:										
Restrictions	NC 1 Year	NC 5 Years	NC 1 Year	- -	NC 2 Years	NC 5 Years	NC 1 Year	NC 1 Year (No More than 25% Cumulatively in Each 2 Year Period)	NC 1 Year	NC 2 Years
Number of Years from Date of Issue	$104.375	$105.00	$105.00	$105.50	$106.00	$104.20	$104.50	$107.00	$105.25	$105.75
Initial Optional Redemption Price	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Lowest Optional Redemption Price	1 Year	-	-	1 Year	-	-	-	6 Years	-	-
Date Begins (Number of Years Prior to Maturity)										
Market Data:										
Debentures										
Price Range Since Issue	128 1/4 - 56	91 3/4 - 74	150 1/2 - 74 1/8	83 1/2 - 68	148 - 82 3/4	149 - 72	196 - 54	97 - 76	106 3/4 - 70	131 - 78
1969	73 1/2 - 56	91 3/4 - 74	150 1/2 - 74 1/8	83 1/2 - 68	123 3/4 - 82 3/4	113 - 72	93 - 54	97 - 76	95 - 70	105 1/2 - 78
Current Price (7/3/69)	58	75	76 7/8	70 3/4	86	76	56 1/8	79 1/2	73	79 1/8
Conversion Price / Ratio	$ 58.50 / 1.709 Shs.	$ 55.00 / 1.818 Shs.	$ 16.00 / 6.25 Shs.	$ 50.00 / 2.00 Shs.	$ 39.00 / 2.564 Shs.	$ 44.78 / 2.233 Shs.	$ 24.00 / 4.167 Shs.	$ 65.23 / 1.533 Shs.	$ 50.00 / 2.00 Shs.	$ 25.00 / 4.00 Shs.
Effective Cost of Common	$ 33.94	$ 41.25	$ 12.30	$ 35.38	$ 33.54	$ 34.03	$ 13.47	$ 51.86	$ 36.50	$ 19.78
Effective Yield	9.19%	7.80%	8.93%	8.31%	7.40%	7.75%	9.10%	9.70%	8.07%	8.90%
Current Yield	7.54%	7.33%	7.81%	7.77%	6.98%	6.91%	8.02%	8.81%	7.19%	8.22%
Premium Over Conversion	93.9%	46.7%	9.3%	41.5%	18.2%	35.5%	33.1%	58.3%	15.9%	55.1%
Common										
Price Range Since Issue	73 5/8 - 16	47 5/8 - 24 1/2	24 3/4 - 10 1/8	43 5/8 - 21	54 - 25 1/8	66 1/8 - 24	48 - 10	67 3/4 - 27	53 1/2 - 27 1/4	34 1/2 - 11 1/2
1969	28 5/8 - 16	55 1/4 - 24 1/2	24 3/4 - 10 1/8	50 5/8 - 21	45 1/2 - 25 1/8	50 1/4 - 24	20 1/8 - 10	57 1/2 - 27	39 5/8 - 27 1/4	20 1/2 - 11 1/2
Current Price (7/3/69)	17 1/2	28 1/8	11 1/4	25	28 3/8	25 1/8	10 1/8	32 3/4	31 1/2	12 3/4
Price x Latest Twelve Months Earnings as Reported by Standard & Poor's	175.0x	19.5x	11.6x	15.8x	25.3x	7.0x	37.5x	8.8x	18.8x	-- x
Current Yield	0.63%	1.07%	-- %	-- %	-- %	1.59%	4.94%	1.22%	-- %	-- %

JMS--7/7/69

KV FACT FINDER

A WEEKLY COMPUTER PROCESSED STATISTICAL SUMMARY OF CONVERTIBLE BONDS PREFERRED STOCKS & WARRANTS

PUBLISHED WEEKLY BY KALB, VOORHIS & CO.
SUBSCRIPTION RATE $60.00 PER YEAR
MEMBERS NEW YORK AND AMERICAN STOCK EXCHANGES
27 WILLIAM STREET, NEW YORK, N. Y. 10005
SECOND-CLASS POSTAGE PAID AT NEW YORK, NEW YORK

IN TWO SECTIONS
SECTION 1

VOL. 8 NO. 27
JULY 7, 1969

LISTED CONVERTIBLE BONDS

Exch. Bd.	Exch. Com.	Bonds Outs ($Mil.)	COMPANY	Coupon Rate (%)	Year Due	Year Exp	Next Change (Mo./Yr.)	CONVERSION TERMS PER $1000 BOND: No. of Shares	Conversion Price ($)	Com. Mkt. Price ($)	BOND CONVERSION AND INVESTMENT VALUES: Conversion Value ($)	Bd. Mkt. Price ($)	Investment Value ($)	Prem. C.V (%)	Est. Risk (%)	Rating	Current Yield (%)	Industry	Footnotes (See Last Page)
A	A	1.3	AIRLIFT INTL	6 1/2	86	86		500.00	3.33	4.12	124	125		1		B-	5.20	AIRLINES	
A	A	17.9	AIRLIFT INTL	5 3/4	87	87		111.11	9.00	4.12	46	64		41		B-	8.91	AIRLINES	
N	N	32.5	AIR REDUCTION	3 7/8	87	87		32.00	31.25	27.25	87	87	65	0	25	BF	4.45	CHEMICALS	
A	A	4.5	ALASKA AIRLINES	6 1/2	86	86		111.11	9.00	10.12	112	116		3		CF	5.60	AIRLINES	
A	A	2.5	ALASKA AIRLINES	6 7/8	87	87		94.25	10.61	10.12	95	104		9		CF	6.61	AIRLINES	
A	A	5.0	ALASKA INTERSTATE	6.00	93	93		47.62	21.00	27.87	133	129		0		B-	4.63	MISC.	
A	A	15.0	ALLEGHENY AIRLINES	5 3/4	93	93		41.67	24.00	15.50	65	81	68	27	17	CF	7.03	AIRLINES	
N	N	6.1	ALLEGHENY LUDLUM	4.00	81	81		19.23	52.00	49.75	96	95	71	0	25	BF	4.20	STEEL&IRON	
A	A	4.4	ALLEN ELECTRIC	6.00	87	87		28.87	34.87	25.75	74	90	77	22	14	B-	6.67	AUTO PARTS	
A	N	18.0	ALLIED STORES	4 1/2	81	81		35.71	28.00	38.75	138	140	75	1	46	BF	3.21	RETAIL	
N	N	50.0	ALLIED STORES	4 1/2	92	92		22.47	44.50	38.75	87	95	66	9	26	BF	4.74	RETAIL	
N	N	20.0	ALLIED SUPERMARKETS	5 3/4	87	87		51.95	19.25	15.62	81	99	71	23	29	B	5.76	RETAIL	
A	A	15.0	ALLOYS UNLIMITED	4 1/2	93	93		19.32	51.75	29.75	57	82	63	43	23	BF	5.49	ELECTRONIC	
N	N	125.0	ALUMINUM CO OF AMER	5 1/4	91	91		11.76	85.00	72.75	86	101	76	19	25	BF	5.15	METALS	
N	N	15.0	AMERACE CORP	5.00	92	92		27.03	37.00	24.50	66	88	71	33	19	BF	5.68	TIRE & RUB	
N	N	6.0	AMERICAN AIR FILTER	4 7/8	87	87		27.03	37.00	29.62	80	95	69	19	28	B	5.10	BUILDING	
N	N	39.6	AMERICAN AIRLINES	4.00	90	77		32.52	30.75	34.25	111	112	63	1	44	B	3.56	AIRLINES	
N	N	76.2	AMERICAN AIRLINES	5 1/2	91	79		32.52	30.75	34.25	111	120	76	8	37	B	4.58	AIRLINES	
N	N	100.0	AMERICAN AIRLINES	4 1/4	92	80		21.28	47.00	34.25	73	88	64	21	28	B	4.80	AIRLINES	
A	A	1.1	AMER BOOK-STRATFORD	6.00	88	68		90.91	11.00	13.50	123	130		6		B-	4.62	PRINT/PUB	
N	N	49.6	AMER BROADCASTING	5.00	93	93		15.38	65.00	64.75	100	105	68	5	35	B	4.76	AMUSEMENTS	
N	N	9.5	AMERICAN DISTILLING	4 3/8	86	71		34.73	28.79	24.00	83	86	67	3	22	BF	5.09	BEVERAGES	
N	N	44.5	AMERICAN ENKA	5 1/4	94	94		29.63	33.75	29.25	87	95	74	10	22	BF	5.53	TEXTILES	
N	N	60.0	AMERICAN EXPORT IND	5 1/4	93	93		17.54	57.00	35.75	63	81	68	30	17	B	6.42	MISC.	
N	N	6.2	AMER HOISTEDERRICK	4 3/4	92	92		62.02	16.13	14.87	92	93	68	1	27	B	5.11	MACHINERY	
N	N	18.0	AMER HOIST & DERRICK	5 1/2	93	93		46.51	21.50	14.87	69	80	73	16	9	B	6.88	MACHINERY	
N	N	39.9	AMER MACHINE & FDRY	4 1/4	81	81	3/71	18.00	55.56	22.75	41	73	68	78	7	B	5.82	MACHINERY	
A	A	3.0	AMER SAFETY EQUIP	5 3/4	83	83		77.66	12.88	9.00	70	78		12			7.37	AUTO PARTS	
N	N	35.0	AMFAC	5 1/4	94	94		15.27	65.50	48.87	75	98		32		B-	5.33	MISC.	
N	N	275.0	AMK CORP	5 1/2	94	94		18.18	55.00	26.25	48	74	71	56	5	B	7.38	MISC.	
N	N	20.0	APCO OIL	5.00	88	88	7/78	28.89	34.62	36.00	104	105	68	1	35	B-	4.76	OIL & GAS	
A	A	3.9	A O INDUSTRIES	6.00	75	75	6/71	166.66	6.00	8.00	133	140		5		B-	4.29	OIL & GAS	
A	A	10.0	APL CORP	5 3/4	88	88		36.90	27.10	21.62	80	94	74	18	21	B-	6.12	MISC.	
N	N	10.0	ARMSTRONG RUBBER	4 1/2	87	87		19.60	51.02	42.00	82	90	66	9	27	B	5.00	TIRE & RUB	
N	N	80.0	ASHLAND OIL	4 3/4	93	93		20.00	50.00	47.00	94	106	70	13	34	BF	4.48	OIL & GAS	
N	N	3.5	AURORA PLASTICS	4 5/8	80	80	11/70	40.36	24.78	14.00	57	72	71	27	1	B	6.42	TOY	
N	N	18.6	AUTOMATIC CANTEEN	4 3/4	81	81					90	92	76	3	18	B	5.14	ELECTRONIC	6
N	N	25.0	AUTOMATIC SPRINKLER	4 3/8	87	87		17.09	58.50	16.87	29	57		100		B-	7.58	MISC.	
N	N	85.0	AVCO CORP	5 1/2	93	93		18.52	54.00	27.75	51	80	70	57	13	B	6.81	MISC.	
A	A	5.3	BARTELL MEDIA	6 1/2	88	88		66.12	15.13	12.00	79	90		14		B-	7.18	AMUSEMENTS	
N	N	25.0	BAXTER LABORATORIES	4.00	87	87		28.99	34.50	47.00	136	129	68	0	48	BF	3.08	DRUGS	
N	N	25.0	BAXTER LABORATORIES	4 1/2	88	88		23.81	42.00	47.00	112	128	69	14	46	BF	3.52	DRUGS	
N	N	25.0	BEAUNIT CORP	4 1/4	93	93		34.41	29.06	19.62	68	77	59	15	24	B	5.47	UTILITIES	10
N	N	25.0	BECTON DICKENSON	4 1/8	88	88		20.00	50.00	46.87	94	107	66	14	38	BF	3.86	DRUGS	
N	N	30.0	BEECH AIRCRAFT	4 3/4	93	93		21.28	47.00	25.50	54	78	65	44	17	BF	6.09	MISC.	
N	N	25.0	BELCO PETROLEUM	4 3/4	88	88		17.39	57.50	25.37	44	64	66	45	0	B	7.42	OIL & GAS	

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Exch Bd Com	Bonds Outs ($Mil)	COMPANY	Coupon Rate (%)	Year Due	Year Exp	Next Change (Mo./Yr.)	No of Shares	Conversion Price ($)	Conv Mkt. Price ($)	Conversion Value ($)	Bd Mkt. Price ($)	Investment Value ($)	Prem C.V (%)	Est Risk (%)	Rating	Current Yield (%)	Industry	Footnotes (See Last Page)
N N	8.9	BERKEY PHOTO	5 3/4	86	86		50.45	19.82	23.87	120	120	79	0	34	B-	4.79	PHOTO	
N N	24.2	BLACK&DECKER	4.00	92	92		21.43	46.67	62.00	133	130	62	0	52	B#	3.08	MACHINERY	
N N	10.0	BOOTIE BROOKS	5 1/4	81	81		26.67	37.50	17.25	46	81	75	76	7	B	6.48	TEXTILES	
N N	25.6	BRUNSWICK CORP	4 1/2	81	81		19.74	50.66	21.25	42	73	70	75	5	B-	6.12	AMUSEMENTS	
N N	7.6	BULOVA WATCH	4 1/2	84	84		42.90	23.31	50.25	216	210	72	0	66	B	2.14	ELECTRONIC	
N N	40.0	BURLINGTON IND	5.00	91	91		25.64	39.00	35.12	90	101	72	12	29	B#	4.95	TEXTILES	
N N	75.0	BURROUGHS INC	3 3/4	93	93		7.88	126.75	139.50	110	115	59	5	49	B#	3.26	OFF EQUIP	
A A	12.0	BUTTES GAS & OIL	5 1/2	88	88		39.60	25.25	22.87	91	97		7		B-	5.67	OIL & GAS	
N N	22.6	CAROLINA TEL&TEL	5 3/4	88	88		37.04	27.00	33.75	125	123	82	0	33	B#	4.67	UTILITIES	22
N N	30.0	CASTLE&COOKE	5 3/8	94	94		25.97	38.50	30.50	79	102	71	29	30	B	5.27	FOOD	
N N	15.0	CECO CORP	4.75	88	88		26.67	37.50	25.62	68	90	66	32	27	B	5.28	BUILDING	
N N	78.8	CELANESE CORP	4.00	90	90		10.42	96.00	66.87	70	85	62	22	27	B	4.71	TEXTILES	
N N	20.0	CESSNA AIRCRAFT	3 7/8	92	92		33.61	29.75	24.37	82	91	57	11	37	B	4.25	MISC.	
N N	12.6	CHADBOURN INC	6 1/2	89	89		75.00	13.33	14.37	108	112	74	4	34	B-	5.80	TEXTILES	
N N	14.7	CHAMPION PAPER	4 1/2	64	84					130	130	70	0	46	B	3.46	PAPER/PULP	25
N N	149.0	CHASE MANHATTAN	4 7/8	93	93		18.18	55.00	50.87	92	98	79	6	19		4.97	BANKS	
A A	12.5	CHELSEA IND	5 1/4	93	93		31.91	31.34	17.50	56	77	67	38	13	B-	6.82	MISC.	
N N	31.4	CHI MIL ST P & PAC	4 1/2	44	44		10.00	100.00	35.62	36	55		54		C#	8.18	RAILROAD	
N N	5.5	CHOCK FULL O NUTS	4 1/2	81	81		35.09	28.50	13.75	48	74	68	53	8	B	6.08	RETAIL	
N N	21.5	CHRIS CRAFT IND	6.00	89	89		47.62	21.00	16.62	79	95	76	20	20	B	6.32	AMUSEMENTS	
N N	43.5	CLUETT PEABODY	4 1/4	84	84		48.38	20.67	31.25	151	150	68	0	55	B	2.85	TEXTILES	
A A	14.0	CLYBURN CORP	5 1/2	87	87	9/72	36.17	27.65	13.37	48	75		55		B-	7.33	FINANCE	
N N	6.9	COLLINS&AIKMAN	4 5/8	91	91		48.39	20.67	29.00	140	138	68	0	51	B	3.35	TEXTILES	
N N	39.2	COLLINS RADIO	4 7/8	87	87		13.79	72.50	44.87	62	82	72	33	12	B	5.95	ELECTRONIC	
N N	11.4	COLORADO FUEL&IRON	4 7/8	77	77		32.26	31.00	25.75	83	85	80	3	6	B-	5.71	STEEL&IRON	28
N N	20.0	COLUMBIA PICTURES	4 3/4	87	87		41.58	24.05	33.00	137	137	70	0	49	B-	3.45	AMUSEMENTS	
N N	20.0	COMMERCIAL SOLVENTS	4 1/2	91	91		14.71	68.00	18.62	27	66	62	141	6	B	6.82	CHEMICALS	
N N	20.0	COMMONWEALTH OIL	4 1/4	92	92		33.90	29.50	19.87	67	86	63	28	27	B#	4.93	OIL & GAS	
A A	15.0	COMMONWEALTH UNITED	6.00	83	83		62.50	16.00	10.12	63	75		19			7.97	AMUSEMENTS	
A A	3.6	COMPUTER APPLICATION	5 1/2	87	87		41.67	24.00	13.87	58	73		26		C#	7.53	SERVICE	
A A	15.0	COMPUTER APPLICATION	5 7/8	86	86		33.33	30.00	13.87	46	62		35		C#	9.38	SERVICE	
A A	20.0	CONDEC CORP	5.00	93	93		29.41	34.00	27.25	80	89		11		B-	5.62	ELECTRONIC	
N N	35.0	CONTINENTAL AIRLINES	3 1/2	92	92		25.91	38.59	17.87	46	58	56	25	3	B	6.03	AIRLINES	
N N	7.0	CONTINENTAL BAKING	4 3/8	83	71					177	180	75	2	58	B#	2.43	ELECTRONIC	30
A N	25.0	CONTINENTAL TEL	5 1/4	86	86		38.83	25.75	22.25	66	103	76	19	26	B-	5.10	UTILITIES	
N N	7.1	COPPERWELD STEEL	5.00	79	79		35.71	28.00	21.25	76	95	80	25	16	B	5.26	STEEL&IRON	
N N	20.2	CRANE CO	5.00	93	93		20.00	50.00	42.37	85	93	55	10	41	B	5.36	BUILDING	
N N	6.0	CRESCENT CORP	5 1/2	80	80		31.17	32.08	11.50	36	69		95			7.89	MISC.	33
N N	23.9	CROWELL COLLIER	4.00	92	92		34.61	28.89	35.50	123	124	64	1	48	B	3.23	PRINT/PUB	
A A	13.7	CROWN CENTRAL PET	5 3/4	93	93		29.20	34.25	26.12	76	91	78	19	14	B	6.32	OIL & GAS	
A A	6.0	CRYSTAL OIL	7.00	84	84		86.58	11.55	18.12	157	157		0		C#	4.46	OIL & GAS	
A A	37.6	DATA PROCESSING FIN	5 1/2	87	87		25.00	40.00	36.62	92	97	74	6	24		5.67	EQUIP LEAS	
N N	47.5	DAYCO CORP	6.00	94	94		22.22	45.00	42.00	93	106	74	14	30	B	5.66	TIRE & RUB	34
N N	9.1	DAYCO CORP	5 3/4	94	94		20.00	50.00	42.00	84	93	71	11	24	B	6.18	TIRE & RUB	34
A A	16.0	DEARBORN COMPUTER	5 1/4	88	88		20.72	48.26	42.00	87	91		5			5.72	EQUIP LEAS	
N N	30.0	DEL MONTE	5 1/4	94	94		25.64	39.00	27.75	71	86	71	22	18	B	6.05	FOOD	
N N	12.0	DIGIORGIO CORP	5 3/4	93	93		39.22	25.50	32.75	128	131	72	2	45	B-	4.39	FOOD	
N N	50.0	DILLINGHAM CORP	5 1/2	94	94		31.25	32.00	25.00	78	103	69	33	33	B	5.30	MISC.	
N N	40.0	DISNEY WALT	4 1/2	93	93		15.38	65.00	78.00	120	129	64	8	51	B	3.47	AMUSEMENTS	
N N	50.0	DISNEY WALT	5.00	94	94		11.11	90.00	78.00	87	108	66	25	39	B	4.61	AMUSEMENTS	
A A	3.2	DIVERSIFIED METALS	5.00	87	87		35.01	28.56	23.75	83	85	71	2	16	B-	5.88	METALS	
A A	18.3	DIVERSIFIED METALS	5 7/8	93	93		33.33	30.00	23.75	79	90	74	14	18	B-	6.53	METALS	
N N	1.8	DOW CHEMICAL	3.00	82	82	1/72	20.45	48.91	67.75	139	140	67	1	52	A	2.14	CHEMICALS	
N N	15.0	DUPLAN CORP	5 1/2	94	94		20.00	50.00	22.75	46	70	70	54	0	B	7.86	TEXTILES	
A A	5.0	DURO-TEST CORP	5 3/4	92	92		58.82	17.00	11.12	65	85	65	30	24	B-	6.76	ELECTRONIC	
N N	75.0	EASTERN AIRLINES	5.00	92	92		20.00	50.00	19.25	39	65	63	71	4	B	7.80	AIRLINES	
N N	50.0	EASTERN AIR LINES	4 3/4	93	93		29.41	34.00	19.25	57	77	66	37	15	B-	5.13	AIRLINES	
N N	15.0	ECKERD DRUGS	4 3/4	88	88		40.06	24.96	25.87	104	107	67	3	37	B	4.44	RETAIL	
A A	2.2	EDO CORP	5 1/4	87	87		42.55	23.50	32.00	136	137	71	1	48	B	3.83	ELECTRONIC	
N N	9.2	E G & G INC	3 1/2	87	87													

C C	5.0	AMER ELECTRONIC LABS C 1/4	68	88	7/73	72.73	13.75	9.50	69	79									

Exch Bd Lem.	Mkt Cap (Mil)	COMPANY	Coupon Rate (%)	Year Due	Year Exp	Next Change (Mo./Yr.)	Next Strike	Conversion Price ($)	Conv Prem Price ($)	Conversion Value ($)	Bd Flr Price ($)	Investment Value ($)	Prem $ V (%)	Prem Pct (%)	Rating	Current Yield (%)	Industry	Footnotes (See Last Page)
N N	30.0	PAN AM WORLD AIR	4 1/2	84	84		68.38	14.63	10.50	127	128	69	1	48	B	3.52	AIRLINES	
N N	175.0	PAN AM WORLD AIR	4 1/2	86	86		26.89	37.19	18.50	50	70	65	42	8	B	6.30	AIRLINES	
N N	175.0	PAN AM WORLD AIR	5 1/4	89	89		33.06	30.25	18.50	61	75	68	30	15	B	6.58	AIRLINES	
N N	20.0	PARKER HANNIFIN	4.00	92	92		13.15	76.00	46.87	62	80	58	30	27	B	5.00	MISC.	
N N	30.0	PENN DIXIE CEMENT	5.00	82	82		34.19	29.25	20.75	71	91	75	28	18	B-	5.49	BUILDING	
N N	125.0	PENNEY J C	4 1/4	93	93		20.00	50.00	53.50	107	212	68	5	41	A-	3.79	RETAIL	
A A	8.0	PERMANEER CORP	5 1/4	89	89		32.79	30.50	35.62	117	118	69	1	42	B-	4.45	BUILDING	
N N	10.0	PHILLIPS-VAN HEUSEN	5 1/4	94	94		34.19	29.25	22.25	76	87	71	14	18	B	6.03	TEXTILES	
A A	12.5	PHOENIX STEEL	6.00	87	87		38.85	25.74	13.12	51	70		37		B-	8.57	STEEL&IRON	
N N	20.0	PILLSBURY CO	4 3/4	89	89		17.24	58.00	44.50	77	98	73	28	26	B#	4.65	FOOD	
N N	35.0	PUREX LTD	4 7/8	94	94		28.17	35.50	26.12	74	94	72	28	23	B#	5.19	FOOD	
N N	160.0	RCA CORP	4 1/2	92	92		16.95	59.00	41.37	70	89	68	28	24	A-	5.01	ELECTRONIC	
N N	40.0	RALSTON PURINA	4 7/8	92	92		37.74	26.50	23.00	87	95	71	9	25	B#	5.13	FOOD	
A N	10.1	RAPID AMERICAN	5 3/4	77	77		47.06	21.24	24.12	114	117	83	3	29	B-	4.91	RETAIL	
N N	20.0	READING&BATES	5 1/2	88	88		33.33	30.00	34.62	115	132	71	14	46	B	4.17	OIL & GAS	
N N	12.0	REEVES BROTHERS	4.00	91	91		26.19	38.18	32.25	84	83	59	0	29	B	4.82	TEXTILES	
N N	55.0	REVERE COPPER	5 1/2	92	92		29.41	34.00	26.62	84	93	70	11	25	B	5.88	METALS	
N N	75.0	REYNOLDS METAL	4 1/2	91	91		16.14	61.96	37.00	60	79	63	32	20	B	5.70	METALS	
N N	15.0	RIEGEL TEXTILE	5.00	93	93		22.99	43.50	21.00	48	74	67	53	9	B	6.76	TEXTILES	
A A	10.0	ROBLIN INDUSTRIES	6 1/2	84	84		74.77	13.38	9.25	69	81		18		B-	7.98	STEEL&IRON	
N N	25.0	ROCHESTER TEL	4 3/4	94	94		21.74	46.00	35.60	77	103	71	33	31	A-	4.61	UTILITIES	
N N	18.3	ROHR CORP	5 1/4	86	86		38.46	26.00	28.50	110	112	75	2	33	B	4.69	AEROSPACE	
N N	41.5	SCM CORP	5 1/2	88	88		21.04	47.53	36.00	76	98	73	29	26	B	5.61	MISC.	
N N	35.0	SANDERS ASSOCIATES	5.00	92	92		14.93	67.00	30.75	46	85	70	86	18	B	5.85	AEROSPACE	
N N	15.7	SANTA FE INTL	5 1/2	87	87		31.58	31.67	40.62	128	126	76	0	40	B	4.37	OIL & GAS	
N N	94.7	SANTA FE IND	6.1/4	88	88		31.25	32.00	29.37	92	100	82	10	18	B#	6.22	RAILROAD	
A A	7.0	SATURN AIRWAYS	4.00	87	87		32.00	31.25	15.25	49	67		37		B-	5.97	AIRLINES	
A N	7.0	SATURN INDUSTRIES	5 1/2	87	87		53.02	18.86	19.25	102	106	76	4	28	C#	5.19	TRUCKING	
N N	20.0	SATURN INDUSTRIES	5.00	93	93		27.40	36.50	19.25	53	71	65	35	8	B-	7.04	TRUCKING	
A A	3.0	SAXON PAPER	5 1/2	82	82		33.33	30.00	60.75	202	200		0		B-	2.75	PAPER/PULP	
N N	4.0	SCHICK ELEC	6.00	89	89		100.00	10.00	8.12	81	83		2		B-	7.23	MISC.	67
N N	7.8	SCOTT PAPER	3.00	71	71		38.96	25.67	29.00	113	114	92	1	19	A	2.63	PAPER/PULP	
A N	15.2	SEABOARD WORLD AIR	5.00	86	86		35.71	28.00	25.75	92	103	72	12	30	B-	4.85	AIRLINES	
N N	107.0	SINCLAIR OIL	4 3/8	86	86	12/71				192	192	73	0	62	A-	2.27	OIL & GAS	70
N N	10.0	SKIL CORP	5.00	92	92		25.00	40.00	42.12	105	110	72	4	35	B	4.55	MACHINERY	
N N	10.0	SOLA BASIC	4 1/2	92	92		45.11	22.17	17.50	79	86	67	10	23	B	5.20	MISC.	
N N	17.3	SPARTANS INDUSTRIES	5.00	86	86		52.63	19.00	24.25	128	125	74	0	41	B-	4.00	TEXTILES	72
A A	8.0	SONDERLING BROADCAST	5 1/4	88	88		24.13	41.44	36.87	89	102		15		B-	5.15	AMUSEMENTS	
N N	75.0	SOUTHERN CALIF ED	3 1/8	80	80		22.73	44.00	34.50	78	81	70	4	14	A-	3.83	UTILITIES	
N N	10.5	SPIEGEL INC	4 1/2	90	75					95	92	66	0	28	B	4.89	FINANCE	73
N N	25.0	SPRAGUE ELECTRIC	4 1/4	92	92		21.98	45.50	20.50	45	67	67	50	0	B#	6.30	ELECTRONIC	
A A	12.0	STANDARD INTERNATL	5.00	87	87		56.92	17.57	18.62	106	106		0		B-	4.72	MISC.	
N N	20.0	STANDARD PACKAGING	5 1/4	90	90		41.67	24.00	14.87	62	85	71	37	16	B-	5.18	PAPER/PULP	
N N	39.5	STD PRUDENTIAL	6 1/2	90	90		66.67	15.00	10.75	72	77		7			8.44	FINANCE	
N N	35.2	STAUFFER CHEMICAL	4 1/2	91	91		18.69	53.50	43.87	82	97	71	19	27	B#	4.52	CHEMICALS	
N N	27.5	STEVENS J P	4.00	90	90		17.72	56.43	49.00	87	85	64	0	25	B	4.71	TEXTILES	
N N	3.4	STOKELY-VAN CAMP	4 1/4	82	82	3/72	37.22	26.87	27.75	103	116	72	12	38	B	3.66	FOOD	
N N	34.4	STORER BROADCASTING	4 1/2	86	86		19.61	51.00	35.87	70	84	72	19	14	B	5.36	AMUSEMENTS	
A A	4.6	STYLON CORP	6.00	88	88		40.00	25.00	17.37	69	90		30		C#	6.67	BUILDING	
N N	30.0	SUNDSTRAND CORP	5.00	93	93		14.08	71.00	52.87	74	96	76	29	21	B	5.21	AEROSPACE	
N N	20.0	SURVEYOR FUND	5.00	84	84		112.50	8.89	7.12	80	85	76	6	11	B	5.88	INVEST COS	
A A	22.5	SUSQUEHANNA CORP	5 1/2	86	88		23.39	42.75	15.12	35	64	77	81	0	B	8.59	MINING	
N N	9.7	SYBRON CORP	4 1/2	87	87		15.87	63.00	55.50	88	93	71	6	24	B#	4.83	ELECTRONIC	74
N N	3.8	TALCOTT JAMES	5.00	79	69	12/69	30.36	27.50	22.87	83	82	79	0	4	B	6.10	FINANCE	
N N	25.0	TALCOTT NATL	6.00	94	94		37.04	27.00	22.87	85	91		8		B-	6.56	FINANCE	
N N	60.0	TELEDYNE INC	3 1/2	92	92		17.46	57.26	32.37	57	66	57	18	14	B	5.26	ELECTRONIC	
A A	10.0	TELEPROMPTER	5 1/2	89	89		15.87	63.00	52.50	83	98	69	18	30	B-	5.61	ELECTRONIC	
A A	2.0	TELEVISION MFG OF AM	6 1/2	82	82		142.86	7.00	4.50	64	75		17			8.67	ELECTRONIC	
A A	5.0	TELEX CORP	5.00	87	87		51.28	19.50	30.25	186	181		0		B-	2.75	ELECTRONIC	
N N	100.0	TENNECO CORP	6 1/4	92	92		33.33	30.00	27.12	90	106	81	17	24	B-	5.90	UTILITIES	75

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Exch Bd Com.	Bonds Outs ($Mil)	COMPANY	Coupon Rate (%)	Year Due	Year Exp	Next Change (Mo./Yr.)	No. of Shares	Conversion Price ($)	Com Mkt Price ($)	Conversion Value ($)	Bd Mkt Price ($)	Investment Value ($)	Prem C V (%)	Est Risk (%)	Rating	Current Yield (%)	Industry	Footnotes (See Last Page)
A A	25.0	TESORO PETROLEUM	5 1/4	89	89		22.99	43.50	43.50	100	102		2		B-	5.15	OIL & GAS	
N N	20.0	TRANE CO	4.00	92	92		13.89	72.00	52.00	72	94	66	30	30	A-	4.26	BUILDING	
A A	2.9	TRANS CARIB AIR	6.00	82	82	8/72	67.80	14.75	8.12	55	72	81	31	0	d-	8.33	AIRLINES	
A A	3.4	TRANS CARIB AIR	6 7/8	84	84	1/74	66.67	15.00	8.12	54	80		48		B-	8.59	AIRLINES	76
A A	3.5	TRANS-LUX	5.00	87	87		35.56	28.12	24.50	87	91		4		B-	5.49	MISC.	
N N	100.0	TRANS WORLD AIRLINES	4.00	92	81		11.11	90.04	38.25	42	63	60	48	5	B	6.35	AIRLINES	
N N	150.0	TRANS WORLD AIR	5.00	94	83		18.52	54.00	38.25	71	86	68	22	22	B	5.76	AIRLINES	
A A	10.0	TYCO LABORATORIES	5 7/8	86	86		16.40	60.99	26.00	43	75	80	76	0	B-	7.76	ELECTRONIC	
N N	4.0	UNION CORP	6.00	88	88		54.05	18.50	12.50	68	82		21		B	7.32	MACHINERY	
N N	60.0	UNION PACIFIC	4 3/4	99	99		17.50	57.14	43.62	76	88		15		A-	5.40	RAILROAD	
N N	5.0	UNITED AIRCRAFT	4 1/2	88	73		30.00	33.33	60.12	180	180	70	0	61	B	2.50	AEROSPACE	
N N	58.9	UNITED AIRCRAFT	5 3/8	91	76		11.85	84.39	60.12	71	90	76	27	16	B	5.94	AEROSPACE	
N N	119.0	UNITED AIRCRAFT	4 1/2	92	77		10.00	100.00	60.12	60	77	67	29	13	B	5.82	AEROSPACE	
N N	99.4	UNITED AIR LINES	5.00	91	81		20.00	67.50	36.87	74	83*	83	59*	0	B	5.96	AIRLINES	77
N N	130.8	UNITED AIR LINES	4 1/4	92	82		15.00	84.00	36.87	55	67*	74	69*	0	B	6.27	AIRLINES	78
N N	40.0	UNITED MERCHANTS	4.00	90	90		29.20	34.25	29.75	87	91	62	5	32	B	4.40	TEXTILES	
N N	30.0	UNITED NUCLEAR	5.00	88	88		25.00	40.00	23.75	59	84	69	41	16	B-	5.95	MINING	
A A	5.0	U S NATURAL RESOURCE	6.00	79	79		61.00	16.39	19.50	119	119		0		B-	5.06	OIL & GAS	
A A	20.0	US REALTY INV	5 3/4	89	89		39.60	25.25	22.87	91	91		0			6.32	REAL ESTAT	
N N	60.0	U S SMELTING&REF	5 3/4	93	93		14.56	68.67	42.25	62	82	76	33	7	B-	7.01	MINING	
N N	50.0	UNITED UTILITIES	5.00	93	93		35.71	28.00	27.00	96	105	73	9	30	B	4.76	UTILITIES	
N N	7.5	VANADIUM CORP	4 1/4	76	76		18.96	52.75	28.62	54	80	77	47	4	B	5.31	METALS	79
N N	5.2	VENDO CO	4 1/2	80	80		21.05	47.50	18.25	38	78	77	103	1	B	5.77	VENDING	
A A	6.0	VERNITRON	5 3/4	82	82		44.44	22.50	23.87	106	115	82	8	29	B-	5.00	ELECTRONIC	
A A	2.2	VICTOREEN LEECE NEV	5 1/2	82	82					129	130	83	1	36	B	4.23	ELECTRONIC	64
N N	50.0	VIRGINIA ELEC&PWR	3 5/8	86	86		26.40	37.88	26.50	70	77	68	11	12	A-	4.66	UTILITIES	
A A	2.5	VISUAL ELECTRONICS	5 1/4	82	82		36.36	27.50	17.25	63	78		24			6.73	ELECTRONIC	
A A	33.7	WARNER-SEVEN ARTS	5.00	86	88		30.30	33.00	48.75	148	144		0		B-	3.47	AMUSEMENTS	
N N	36.0	WEAR UNITED	5 1/2	93	93		41.67	24.00	13.87	58	65	73	12*	0	B-	8.46	MACHINERY	
A A	2.5	WESTATES PETROLEUM	6 1/2	87	87		191.57	5.22	16.12	309	305		0		C#	2.13	OIL & GAS	
N N	30.0	WESTERN AIR LINES	5 1/4	93	93		27.21	36.75	26.87	73	87	71	19	19	B	6.02	AIRLINES	
N N	52.6	WHITE CONSOLIDATED	5 1/2	92	92		35.25	28.37	22.25	78	83	75	12	15	B-	6.25	MISC.	
N N	25.0	WHITE MOTOR	5 1/4	93	93		18.35	54.50	41.12	75	97	78	29	20	B#	5.41	AUTOMOTIVE	
N N	60.0	WHITAKER CORP	4 1/2	88	88		21.24	47.08	22.25	47	71	71	51	0	B	6.29	AEROSPACE	
N N	40.0	WICKES CORP	5 1/8	94	94		18.52	54.00	47.06	87	101		16		B	5.07	BUILDING	
N N	19.3	WILLIAMS BROTHERS	5 1/2	88	88		60.00	16.67	34.25	206	207	80	1	61	B-	2.66	BUILDING	
N N	15.0	WITCO CHEMICAL	4 1/2	93	93		20.00	50.00	32.00	64	88		38		B#	5.11	CHEMICALS	
N N	15.0	WOMETCO ENT	5 1/2	94	94		43.10	23.20	20.12	87	98		14		B	5.58	MISC.	
A A	3.2	WORK WEAR	4 3/4	85	85		70.18	14.25	21.25	149	150	76	1	49	B-	3.17	SERVICE	
A A	14.9	WYLE LABORATORIES ✓	5 1/4	88	88		43.96	22.75	11.37	50	68	74	36	0	B-	7.72	AEROSPACE	
N N	14.9	ZAPATA NORNESS	4 3/4	88	88		18.87	53.00	55.25	104	111	74	6	33	B-	4.23	OIL & GAS	
N N	17.0	ZAPATA NORNESS B	4 3/4	88	88		18.87	53.00	55.25	104	112	74	8	34	B-	4.22	OIL & GAS	
N N	22.7	ZAPATA NORNESS C	4 3/4	88	88		18.87	53.00	55.25	104	112	74	7	34	B-	4.24	OIL & GAS	

OVER-THE-COUNTER CONVERTIBLE BONDS

CONVERSION TERMS PER $1000 BOND — BOND CONVERSION AND INVESTMENT VALUES

Exch. Bd. Com.	Bonds Outs ($Mil)	COMPANY	Coupon Rate (%)	Year Due	Year Exp	Next Change (Mo./Yr.)	No. of Shares	Conversion Price ($)	Com. Mkt. Price ($)	Conversion Value ($)	Bd. Mkt. Price ($)	Investment Value ($)	Prem. C V (%)*	Est. Risk (%)	Rating	Current Yield (%)	Industry	Footnotes (See Last Page)
O O	3.2	ABERDEEN MFG	5 7/8	88	88		43.48	23.00	14.50	63	98		55			5.99	MISC.	
O A	2.1	AERODEX INC	5 7/8	87	87		44.94	22.25	16.12	72	93		28		B-	6.32	ELECTRONIC	
O A	1.5	AERO-FLOW DYNAMICS	6.00	83	83	3/73	79.21	12.63	13.75	109	109		0			5.50	MISC.	
O O	5.0	AIR CALIFORNIA	7.00	88	88		62.99	15.88	8.75	55	78		42			8.97	AIRLINES	
O O	5.0	ALBEE HOMES INC	5.00	82	82	6/70	39.62	25.24	5.37	21	55		159			9.09	BUILDING	
O O	20.0	ALLEGHENY BEVERAGE	6 1/4	88	88	7/73	80.00	12.50	7.37	59	72		22		C#	3.68	BEVERAGES	
O A	3.0	ALLOYS UNLIMITED	5 1/2	84	81	7/71	37.50	26.67	29.75	112	116		4		B#	4.72	ELECTRONIC	
O A	1.0	AMERICAN BILTRITE	4 3/4	83	83		74.07	13.50	15.75	117	3158	75	0	25	B-	4.13	TIRE & RUB	
O O	6.5	AMER COMP LEASING	6.00	88	88		62.50	16.00	12.75	80	88		10			6.82	EQUIP LEAS	
O O	10.0	AMER COMP LEASING	6 1/4	88	88		57.97	17.25	12.75	74	76		3			8.22	EQUIP LEAS	
O O	1.0	AMERICAN ELECTRONIC	6.00	88	88		70.70	14.14	9.50	67	75		8		C#	8.33	ELECTRONIC	

Comparative Data on (The

	Teledyne, Inc.		Ling-Temco Vought, Inc.		Gulf & Western Industries		Glen Alden Corp.		Marcor, Inc.	
Capitalization -- Date	1/31/67 PF		11/30/67 PF		1/31/68 PF		6/30/68 PF		3/31/68 PF	
Long-Term Debt										
Senior: First Mortgage Notes	$ --	-- %	$ 7,361	0.9%	$ --	-- %	$ 7,000	0.8%	$ --	-- %
Bank Notes / Revolving Credit	--	--	18,924	2.2	225,043	15.1	62,000	7.3	99,600	6.2
Sinking Fund Debentures	30,000	20.6	30,000	3.5	26,448	1.8	--	--	365,437	22.7
Other	8,547	5.9	10,621	1.2	123,413	8.3	114,126	13.4	23,707	1.5
Minority Interest	--	--	35,367	4.1	21,546	1.4	18,956	2.2	10,709	0.6
Senior Debt Subtotal	$ 38,547	26.5%	$102,273	11.9%	$ 396,450	26.6%	$202,082	23.7%	$ 499,453	31.0%
Subordinated Straight	--	--	519,840	60.8	75,446	5.1	420,914	49.4	342,634	21.3
Subordinated Convertible	9,804	6.7	69,538	8.1	476,977	32.0	17,000	2.0	--	--
Total Long-Term Debt	$ 48,351(a)	33.2%	$691,651(a)	80.8%	$ 948,873(b)	63.7%	$639,996(a)	75.1%	$ 842,087(b)	52.3%
Preferred or Preference Stock	631	0.4	5,973	0.7	49,122	3.3	27,310	3.2	5,683	0.3
Common Stock and Surplus ∅	96,357	66.4	157,805	18.5	494,191	33.0	184,266	21.7	763,535	47.4
Total Capitalization	$145,339	100.0%	$855,429	100.0%	$1,492,186	100.0%	$851,572	100.0%	$1,611,305	100.0%
∅ Including Intangibles	$ 7,398		$ 46,275		$ 43,743		$189,683		$ 180,339	
Common Equity at Market on Date of Issue	$378,451		$550,611		$ 662,228		$248,155		$ 489,320	
% Debt Including Common at Market		11.3%		52.6%		55.9%		69.9%		62.3%
Current Portion Long-Term Debt	$4,596		$ 3,386E		$ 14,127		$ 13,437		N. A.	
Short-Term Loans or Notes	713		151,539		111,897		230,794		N. A.	
Total Short-Term Debt	$5,309		$154,925		$126,024		$244,231		$408,975	
As % of Total Debt		10.8%		23.6%		13.4%		28.0%		20.2%
Asset Ratios: Per $ of Long-Term Debt and Minority Interest										
Net Current Assets	$3.32		$0.27		$0.48		$0.55		$0.92	
Net Tangible Assets	4.42		1.18		1.51		1.01		1.70	
Net Plant	1.07		0.18		0.53		0.25		0.70	

Coverage:

	x) Pro Forma Interest Coverage for Long Term Debt (f,g)														
	(x) Pre-Tax	(x) After-Tax	(y) Cash Flow	(x) Pre-Tax	(x) After-Tax	(y) Cash Flow	(x) Pre-Tax	(x) After-Tax	(y) Cash Flow	(x) Pre-Tax	(x) After-Tax	(y) Cash Flow	(x) Pre-Tax	(x) After-Tax	(y) Cash Flow
1	3.73	2.03	- x	- x	- x	- x	- x	- x	- x	1.42	0.98	- x	2.64	1.58	-
2	3.48	2.00	-	1.00	0.66	-	-	-	-	1.47	0.98	-	2.38	1.56	-
3	3.57	2.13	1.70	1.41	0.91	0.90	-	-	-	2.10	1.47	1.06	2.33	1.58	-
4	4.85	2.75	2.12	1.32	0.96	0.57	-	-	-	3.40	1.63	1.11	2.00	1.44	-
Latest Year 5	5.64	3.31	2.50	2.07	1.46	0.54	3.06	2.56	N.A.	2.32	1.57	1.07	2.05	1.45	-
Average	4.25	2.44	2.11	1.45	1.00	0.67	-	-	-	2.14	1.33	1.08	2.28	1.52	-

	y) Pro Forma Debt Service Requirement (h)														
1	-			-			-			-			-		
2	-			-			-			-			-		
3	2.78			17.50			-			9.10			6.70		
4	2.16			16.14			-			8.38			5.88		
Latest Year 5	1.72			9.12			5.97			8.59			5.97		
Average	2.22			14.25			-			-			6.18		

Pro Forma Debt-Cash Flow Ratio (i)

Selected Conglomerate Debt Issues
(Thousands of Dollars)

Loew's Theatres, Inc.		General Host Corp.		Rapid American Corp.		Jones & Laughlin Industries		Lykes-Youngstown Corp.		Tenneco, Inc.		Crane Co.	
8/31/68 PF		11/30/68 PF (c)		7/31/68 PF		12/31/68 PF (d)		12/31/68 PF		12/31/68 PF		3/31/69 PF	
$ 94,919	13.8%	$ --	-- %	$ 7,000	0.6%	$ 183,500	18.1%	$ 161,730	15.9%	$ 550,234	16.0%	$ 22,187	5.3%
--	--	45,290	7.4	336,890	27.3	48,750	4.8	76,000	7.5	N. A.	--	10,815	2.6
57,824	8.3	16,046	2.6	--	--	--	--	--	--	N. A.	--	48,545	11.7
20,366	3.0	23,829	3.9	28,370	2.2	--	--	10,180	1.0	1,370,174	39.9	7,761	1.9
611	0.1	120,490	19.6	232,296	18.8	126,499	12.5	1,723	0.2	145,458	4.2	1,765	0.4
$173,720	25.2%	$205,655	33.5%	$ 604,556	48.9%	$ 358,749	35.4%	$ 249,633	24.6%	$2,065,866	60.1%	$ 91,073	21.9%
415,005	60.2	240,799	39.1	450,965	36.5	324,123	32.0	179,730	17.6	N. A.	--	83,431	20.0
481	--	47,400	7.7	41,539	3.3	--	--	--	--	N. A.	--	94,913	22.8
$589,010(a)	85.4%	$493,854(a)	80.3%	$1,097,060(a)	88.7%	$ 682,872(b)	67.4%	$ 429,363(b)	42.2%	$2,065,866(a)	60.1%	$269,417	64.7%
--	--	52,635	8.5	1,795	0.2	--	--	105,948	10.4	407,849	11.9	6,090	1.5
100,125	14.6	69,666	11.2	135,093	11.1	331,414	32.6	482,606	47.4	962,485	28.0	140,514	33.8
$689,135	100.0%	$616,155	100.0%	$1,233,014	100.0%	$1,014,286	100.0%	$1,017,917	100.0%	$3,436,200	100.0%	$416,021	100.0%
$190,854		$111,987		$ 370		$ 51,865		($ 8,953)		$ 62,777		$ 12,189	
$783,144	42.9%	$102,000	56.7%	$ 201,864	66.4%	$ 118,206	69.5%	$ 214,968	57.0%	$1,565,955	47.5%	$115,959	68.4%
$19,300		$9,205		$171,024		$ --		$ 9,376		$ 81,654		$5,129	
5,968		767		54,105		2,000		75,000		122,747		2,466	
$25,268	4.2%	$9,992	2.7%	$225,129	21.7%	$2,000	0.4%	$84,376	16.5%	$204,401	10.0%	$7,595	2.8%
$0.35		$0.53		$0.51		$0.28		$0.42		$0.18		$0.69	
0.80		1.03		0.74		1.39		2.31		1.59		1.53	
0.36		0.36		0.23		1.14		1.79		1.39		0.71	

(x) Pre-Tax	(x) After-Tax	(y) Cash Flow	(x) Pre-Tax	(x) After-Tax	(y) Cash Flow	(x) Pre-Tax	(x) After-Tax	(y) Cash Flow	(x)(j) Pre-Tax	(x)(j) After-Tax	(y)(j) Cash Flow	(x) Pre-Tax	(x) After-Tax	(y) Cash Flow	(x) Pre-Tax	(x) After-Tax	(y) Cash Flow	(x) Pre-Tax	(x) After-Tax	(y) Cash Flow
2.00	1.05	- x	1.61	1.02	1.40x	- %	- x	-	3.86	2.50	3.67	3.71	2.37	2.67	3.30	2.81	1.77	1.49	1.19	-
1.66	1.05	-	1.90	0.97	1.31	-	-	-	3.48	2.29	3.59	3.17	2.18	2.62	3.23	2.80	1.89	2.33	1.54	-
1.94	1.13	1.20	1.75	1.19	1.31	-	-	-	3.93	2.52	3.31	3.03	2.08	2.61	3.21	2.82	2.02	3.15	2.07	1.78
1.93	1.20	1.27	1.88	1.33	1.47	-	-	-	1.29	1.52	2.57	5.89	2.11	2.65	2.74	2.62	2.04	2.17	1.54	1.51
2.36	1.32	1.36	1.73	1.26	1.73	1.73	-	N.A.	1.36	1.24	2.05	3.15	2.24	2.46	3.44	2.99	2.26	2.13	1.55	1.55
2.02	1.15	1.28	1.77	1.15	1.38	-	-	-	2.78	2.01	3.04	3.79	2.20	2.60	3.18	2.81	2.00	2.25	1.58	1.61
									(j)									-		
-									15.4									-		
-			9.60			-			15.9			10.0			12.3			6.0		
10.17			9.34			-			14.3			9.8			11.7			7.1		
9.60			9.39			-			13.9			9.5			11.3			6.2		
8.92			8.82			-			13.3			9.5			10.5			6.4		
9.56			10.11			1.73			14.6			9.1			11.0					
			9.45			-						9.6			11.4					

Comparative Data on Selected Conglomerate Debt Issues (Continued)

mpany rpose of Issue	Teledyne, Inc. General Corporate Purposes	Ling-Temco Vought, Inc. Exchange offer to Great America Corp.	Gulf of Western Industries Exchange offer to Brown Co.	Glen Alden Exchange offer to Schenley Industries	Marcor, Inc. Merger of Container Corp. of America with Montgomery Ward	Loew's Theatres, Inc. Exchange Offer to Lorillard	General Host Exchange offer to Armour & Co.	Rapid American Exchange offer to Glen Alden Corp.
sue - Debentures								
Date Offered	3/7/67	1/26/68	7/1/68	8/8/68	9/20/68	12/1/68	1/30/69	2/18/69
Rate / Maturity	6 1/2% Subordinated Sinking Fund / 3/1/92	5% Subordinated / 1/15/88	6% Subordinated / 7/1/88	6% Subordinated Sinking Fund / 8/15/88	6 1/2% Subordinated Installment / 10/15/88	6 7/8% Subordinated / 12/1/93	7% Subordinated / 2/1/94	7% Subordinated / 5/15/94
Amount (000,000)	$ 30.0	$510.1	$ 38.0	$ 420.9	$317.6	$401.3	$347.0	$ 32.0
Ratings: Moody's / Standard & Poor's	Baa/BBB	B/B	B/B	B/NR	Ba/BBB	B/B	NR/NR	NR/NR
demption Data								
Restriction / Period	N. C. /10 Years	--	--	--	N. C./ 5 Years	N. C./ 8 Years	N. C./ 5 Years	--
Initial Optional Redemption Price	106.50	105.00	100.00	100.00	104.90	105.00	105.00	100.00
Through (Minimum Number of Days Notice)	30 Days	30 Days	30 Days	20 Days	30 Days	30 Days	30 Days	20 Days
Lowest and Optional Redemption Price	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Date Begins (Number of Years Prior to Maturity)	1 Year	1 Year	20 Years	20 Years	1 Year	2 Years	2 Years	25 Years
king Fund Data								
Date Begins (Number of Years After Offer)	5 Years	11 Years	5 Years	11 Years	--	8 Years	--	--
% Retired: Prior to Maturity (Minimum)	90.0%	44.48%	70.0%	50.8%	-- %	73.95%	-- %	-- %
Annually: Minimum	4.5%	5.56%	5.0%	1.00%	-- %	1.00%	-- %	-- %
Maximum	9.0%	5.56%	5.0%	14.00%	-- %	4.35%	-- %	--
Average Life at Issue: Years (Minimum Payment Prior to Maturity)	15.6 Years	17.5 Years	14.0 Years	18.3 Years	--	19.1 Years	--	--
Redemption Price	100.00	--	--	--	--	--	--	--
e Warrants Issued Together with Debentures	No	Yes	Yes	No	No	Yes	Yes	Yes
Number of Warrants Per $1,000 Debentures		3.33	61.22			16.12	41.66	125.00
First / Second Exercise Price		$115.00	$ 55.00			$35 /$37.50	$ 40.00	$ 35.00
Term of First / Second Exercise Price		--	--			4 Years/4 Years	--	--
Subsequent Exercise Price		--	--			$ 40.00	$ --	$ --
Maximum Term		10 Years	10 Years			12 Years	10 Years	25 Years
Optional Temporary Reduction of Exercise Price		Yes	No			No	Yes	No
Maximum % Reduction		33 1/3%	--			--	33 1/3%	--
Time Period		Not less than 21 days	--			--	Not less than 21 days	--
Non-Separable Period		Not issued as units	Not issued as units		Not issued as units	Not issued as units	Not issued as units	Not issued as units
Aggregate Exercise Price as % of Debentures		37.5%	336.2%			56.5%	166.7%	437.5%
Years Debentures Applied to Exercise Price at Par		5 Years	No			12 Years	10 Years	No
First / Second Exercise Price as % of Stock Price at Issue		94.1%	113.7%			63.9%/68.5%	100.0%	89.7%
Total Common Shares Actually Outstanding (Day of Issue)		4,598,275	13,831,223			19,417,971	2,550,872	3,207,353
Shares Issuable Upon Exercise of Warrants		1,664,930	2,323,803			6,472,657	14,460,000	4,000,000
% Increase		36.2%	16.8%			33.3%	566.8%	124.7%
ing Data								
Common - Where Traded	NYSE	NYSE	NYSE	NYSE	NYSE	NYSE	NYSE	NYSE
*Price Range 1969	45 1/2-29	97 3/4-38 1/2	50 1/4-24	20 -11 3/8	64 1/2-46	61 1/2-29 3/8	41 1/2-21 5/8	45 5/8-24
Current Price (7/3/69)	34 7/8	43 7/8	25 1/8	11 5/8	57 7/8	32 1/8	24 3/8	25 1/8
Price Times Latest Twelve Months Earnings (Source: Standard & Poor's)	19.1x	11.5x	7.1x	14.3x	17.3x	17.4x	17.2x	11.0x
Current Yield	-- %	3.03%	1.99%	-- %	1.73%	0.40%	-- %	2.99%
Debentures - Where Traded	OTC	NYSE	NYSE	NYSE	NYSE	NYSE	OTC	NYSE
*Price Range 1969	85 1/2-72 1/4	62 1/2-47 1/2	74 1/4-63	68 1/2-60 5/8	88 1/2-82	85 1/2-72 1/4	77 -52	74 1/4-65
Current Price (7/3/69)	74	51 1/2	64 3/4	61 1/2	85	75 1/4	60	69 3/4
Current Yield	8.78%	9.71%	9.27%	9.76%	7.65%	9.14%	11.67%	10.04%
Yield to Maturity	9.26%	11.31%	10.25%	10.80%	8.04%	9.50%	12.14%	12.43%
Warrants - Where Traded		ASE	ASE			ASE	OTC	ASE
*Price Range 1969		41 5/8-12 1/2	18 3/8- 7 1/2			39 -12 7/8	15 - 5 1/2	14 7/8- 8 1/2
Current Price (7/3/69)		13 1/2	8 3/8			15 1/8	5 3/4	8 7/8
Number of Common Shares		1.13 Shares	1 Share			1 Share	1 Share	1 Share
Cash Requirement		$115	$ 55			$ 35	$ 40	$ 35
Price at Which Common Must Sell Using to Exercise Cash / Debentures		$115.27/$64.36	$ 63.37			$51.12/$41.46	$45.75/$29.75	$ 43.88
% Common Increase to Justify Warrant Price Using to Exercise Cash / Debentures		162.8%/ 46.7%	152.3%			59.2%/ 29.1%	87.6%/22.0%	74.7%

NOTE:

*C Price Ranges Approximate.

7/10/69

ones & Laughlin Industries	Lykes-Youngstown Corporation	Tenneco, Inc.	Crane Co.
change offer to Jones & Laughlin	Merger with Youngstown Sheet & Tube	General Corporate purposes	Merger with C. F. & I. Steel
3/17/69	4/9/69	4/21/69	6/9/69
3 3/4% Subordinated / 4/1/94	7 1/2% Subordinated Installment / 6/1/94	6% Debentures / 4/1/79	7% Subordinated / 7/1/94
$249.5	$180.7	$100.0	$ 69.9
NR/NR	NR/BB	Ba/BB	Ba/BB
--	N. C./ 4 Years	--	N. C./ 5 Years
106.75	105.00	100.00	107.00
30 Days	30 Days	30 Days	30 Days
100.00	100.00	100.00	100.00
1 Year	1 Year	10 Years	15 Years
11 Years	--	--	--
65.0%	-- %	-- %	-- %
5.0%	-- %	-- %	-- %
5.0%	-- %	-- %	-- %
19.8 Years	--	--	--
100.00	--	--	--
Yes	No	Yes	No
11.76		25.00	
$ 37.50		$ 32.00	
--		--	
$ --		$ --	
10 Years		10 Years	
Yes		No	
33 1/3%		--	
less than 21 days		--	
issued as units		85 Days	
44.1%		80.0%	
5 Years		10 Years	
208.3%		87.0%	
6,274,000		54,467,989	
2,935,672		2,500,000	
46.8%		4.6%	
OTC	NYSE	NYSE	NYSE
19 1/4-12 1/2	21 3/4-19 1/2	31 3/4-26 5/8	59 1/2-40 1/4
18 1/4	21 3/8	27	43 1/2
11.6x	7.7x	11.8x	13.5x
-- %	3.28%	4.74%	3.68%
NYSE	NYSE	NYSE	NYSE
78 1/2-73	84 1/2-79 1/8	83 -78	94 3/4-83
78	80 3/4	82 3/4	87
8.65%	9.29%	7.25%	8.05%
8.98%	9.54%	8.66%	8.24%
OTC		ASE	
7 1/8- 3 7/8		11 - 8 3/4	
4 7/8		9	
1 Share		1 Share	
$ 37.50		$ 32.00	
$ 42.37/$34.12		$41.00/$35.48	
132.1%/ 86.9%		51.9%/31.4%	

Footnotes:

(a) Includes current maturities of long-term debt.

(b) Excludes current maturities of long-term debt.

(c) Pro Forma to include only the 60% of Armour acquired in the exchange offer.

(d) Assumes 50% of Jones & Laughlin Steel common outstanding is exchanged, resulting in Jones & Laughlin Industries owning 81.53% of Jones & Laughlin Steel.

(e) Assumes 100% acceptance of exchange offer by C.F. & I. Steel.

(f) Pretax coverages computed as follows: historical pretax income plus historical interest expense divided by historical interest expense and interest expense on new debt.

(g) After tax coverage computed as follows: historical net income plus minority interest (excluding extraordinary items) plus historical interest expense divided by historical interest expense and interest expense on new debt.

(h) Debt service requirement coverage computed as follows: Net income (excluding extraordinary items) plus depreciation, depletion, and amortization plus historical interest expense divided by largest debt maturity within next five years plus historical interest expense plus interest expense on new debt.

(i) Debt--Cash Flow Ratio computed as follows: Long Term Debt divided by historical cash flow plus historical interest expense.

(j) Computed using Jones & Laughlin Steel Corporation data.

Bangor Punta Corporation - Capitalization and Coverages

Capitalization -- Date	Bangor Punta 3/31/69		Pro Forma Assuming the Following Ownership of Piper 37.8%		51%		100%	
Long-Term Debt								
Senior: First Mortgage Notes	$ -	- %	$ -	- %	$ -	- %	$ -	- %
Bank / Insurance / Revolving Credit	110,719	41.5	110,719	38.6%	120,719	35.9	120,719	33.1
Sinking Fund Debentures	-	-	-	-	-	-	-	-
Other	929	0.3	929	0.3	929	0.3	929	0.2
Minority Interest	794	0.3	794	0.3	18,781	5.6	794	0.2
Senior Debt Total	$112,442	42.1%	$112,442	39.2%	$140,429	41.8%	$122,442	33.5%
Subordinated Straight	19,241	7.2	19,241	6.7	19,241	5.7	19,241	5.3
Subordinated Convertible	15,000	5.6	22,516	7.8	34,467	10.2	60,211	16.5
Total Long-Term Debt	$146,683	54.9%	$154,199	53.7%	$194,137	57.7%	$201,894	55.3%
Preferred or Preference Stock at Stated Value	759	0.3	759	0.3	759	0.2	759	0.2
Common Stock and Surplus ϕ	119,322	44.8	132.037	46.0	141,513	42.1	161,927	44.5
Total Capitalization	$266,764	100.0%	$286,995	100.0%	$336,40[illegible]	100.0%	$364,580	100.0%
ϕ Including Intangibles	$ 43,566		$ 43,566		$ 80,939		$104,110	
Common Equity at Market (7/11/69)	$ 79,922		$ 92,619		$102,084		$122,510	
% Debt Including Common at Market		64.2%		62.0%		59.0%		61.8%
Current Portion of Long-Term Debt	$ 3,661		$ 3,661		$ 3,661		$ 3,661	
Short-Term Debt	9,260		9,260		11,260		11,260	
Total Short-Term Debt	$ 12,921		$ 12,921		$ 14,921		$ 14,921	
As % of Total Debt		8.3%		7.9%		8.0%		7.0%

Asset Ratios: Per $1 of Long-Term Debt and Minority Interest								
Net Current Assets		$0.73		$0.63		$0.67		$0.65
Net Tangible		1.42		1.54		1.27		1.22
Net Plant		0.45		0.43		0.41		0.39

Coverages:		(x) Pre-Tax	(x) After Tax	(y) Cash Flow	(x) Pre-Tax	(x) After Tax	(y) Cash Flow	(x) Pre-Tax	(x) After Tax	(y) Cash Flow	(x) Pre-Tax	(x) After Tax	(y) Cash Flow
(x) Times Pro Forma Long-Term Interest Requirement		4.45x	4.61x	- x	- x	- x	- x	- x	- x	- x	- x	- x	- x
(y) Times Pro Forma Long-Term Debt Service Requirement	1	5.08	4.21	-	-	-	-	-	-	-	-	-	-
	2	3.92	2.70	1.46	-	-	-	-	-	-	-	-	-
	3	3.45	2.74	1.58	-	-	-	-	-	-	-	-	-
Latest Year	4	2.91	2.07	1.74	2.47	1.85	1.65	2.72	1.92	1.84	2.29	1.70	1.67
	5	3.96	3.27	1.59	-	-	-	-	-	-	-	-	-
Debt-Cash Flow Ratio													
	1		-			-			-			-	
	2		-			-			-			-	
	3		16.27			-			-			-	
	4		13.35			6.92			6.23			6.86	
Latest Year	5		7.70			-			-			-	
Average			12.44										

MARKET DATA ON BANGOR PUNTA SUBORDINATED DEBENTURES

	5 3/4% Subordinated Debentures (1992) (1)			5 1/4% Convertible Subordinated Debentures (1988) (2)		
DATE	Volume	Close	Yield	Volume	Close	Yield
6/ 2/69	10,000	71.00	8.10			
3	--	--				
4	--	--				
5	14,000	69.50	8.27			
6	--	--			85.00	6.18
9	1,000	69.50	8.27			
10	5,000	71.00	8.09			
11	20,000	70.50	8.16			
12	--	--				
13	1,000	70.50	8.16		79.00	6.65
16	--	--				
17	--	--				
18	1,000	70.50	8.16			
19	2,000	71.00	8.10			
20	--	--			77.00	6.82
23	4,000	70.50	8.16			
24	5,000	71.00	8.10			
25	1,000	70.00	8.21			
26	--	--				
27	2,000	71.00	8.10		77.00	6.82
30	1,000	70.00	8.21			
7/ 1/69	--	--				
2	--	--				
3	10,000	70.00	8.21		78.00	6.73
7	--	--				
8	--	--				
9	--	--				
10	1,000	68.50	8.40			
11	7,000	68.00	8.46		75.88	6.92
14	--	--			74.75	7.02

(1) Issued in connection with Bangor Punta's acquisition of Producers Cotton Oil Company in 1967. Traded on NYSE.

(2) Indebtedness of Bangor Punta International Capital Company issued in July 1968 and are guaranteed by Bangor Punta Corporation. The Debentures are convertible into Bangor Punta Common Stock at $55 per share and are listed on NYSE. Due to the lack of an active market, the quotes noted in the study were obtained from White, Weld & Company who maintain a market for the Debentures.

IG 7/14/69

Assumed Price r $100 Debenture)	Effective Cost of Common Stock (1)	Assumed Common Price:	$23	$23 1/2	Premium of Effect $24
$80	$44.00		91%	87%	83%
81	44.55		94	90	86
82	45.10		96	92	88
83	45.65		98	94	90
84	46.20		101	97	93
85	46.75		103	99	95
86	47.30		106	101	97
87	47.85		108	104	99
88	48.40		110	106	102
89	48.95		113	108	104
90	49.50		115	111	106
91	50.05		118	113	109
92	50.60		120	115	111
93	51.15		122	118	113
94	51.70		125	120	115
95	52.25		127	122	118
96	52.80		130	125	120
97	53.35		132	127	122
98	53.90		134	129	125
99	54.45		137	132	127
100	55.00		139	134	129

NOTES:

Based on conversion price of $55 or conversion rate of 1,818 shares of Bangor common per $100 d
Based on 8 1/4% coupon for 25 years.
Based on the indicated annual dividend rate per share of $0.60, the yield on Bangor com[illegible] at t

$23.00 - 2.61%
23.50 - 2.55
24.00 - 2.50
24.50 - 2.45
25.00 - 2.40
25.50 - 2.35
26.00 - 2.31
26.50 - 2.26
27.00 - 2.22

Jr./JMS--7/2/69

tn Corporation
rdinated Debentures Due 1994

ive Cost of Common Over Various Common Stock Prices							
$24 1/2	$25	$25 1/2	$26	$26 1/2	$27	Yield to Maturity (25 Years) (2)	Current Yield
80%	76%	73%	69%	66%	63%	10.53%	10.31%
82	78	75	71	68	65	10.40	10.18
84	80	77	73	70	67	10.26	10.06
86	83	79	75	72	69	10.13	9.93
89	85	81	78	74	71	10.00	9.82
91	87	83	80	76	73	9.88	9.70
93	89	85	82	78	75	9.76	9.59
95	91	88	84	81	77	9.63	9.48
98	94	90	86	83	79	9.52	9.37
100	96	92	88	85	81	9.40	9.26
102	98	94	90	87	83	9.29	9.16
104	100	96	93	89	85	9.17	9.06
107	102	98	95	91	87	9.06	8.96
109	105	101	97	93	89	8.96	8.87
111	107	103	99	95	91	8.85	8.77
113	109	105	101	97	94	8.75	8.68
116	111	107	103	99	96	8.64	8.59
118	113	109	105	101	98	8.54	8.50
120	116	111	107	103	100	8.44	8.41
122	118	114	109	105	102	8.35	8.33
124	120	116	112	108	104	8.25	8.25

ebenture.

he prices shown above is as follows:

Company	Date of Prospectus	Maximum Warrants Issuable	Actual Warrants Issued	Cash Required to Exercise Warrants Aggregate (000)	Cash Required to Exercise Warrants Per Warrant	Number Common Shares Issuable Upon Exercise Aggregate	Number Common Shares Issuable Upon Exercise Per warrant	Life of Warrant (Year of Expiration)
AMK:								
1) Issued with 6 3/4% Subordinated Debentures	3/27/68	300,000	300,000	$ 20,700	$ 34.50	600,000	2.0	10 (1979)
2) Acquisition of Great America Holding Company (1)	6/28/68	9,235,712	-	369,428	40.00	9,235,712	1.0	10 (1978)
3) Issued in Acquisition of United Fruit	1/ 9/69	12,517,393	9,065,146	575,800	46.00	12,517,393	1.0	10 (1979)
Bangor Punta								
1) Acquisition of Piper Aircraft (3)	7/ /69	4,945,492	-	271,975	55.00	4,945,492	1.0	12 (1981)
General Host:								
1) Issued in Acquisition of Armor	1/30/69	14,460,000	9,250,000	578,400	40.00	14,460,000	1.0	10 (1979)
Gulf & Western:								
1) Acquisition of Consolidated Cigar	12/11/67	1,021,909	1,021,909	56,205	55.00	1,021,909	1.0	10 (1978)
2) Acquisition of Brown Company	7/ 1/68	2,323,832	2,323,832	127,820	55.00	2,323,832	1.0	10 (1978)
3) Acquisition of Allis-Chalmers	7/ 1/68	2,700,000	2,700,000	148,500	55.00	2,700,000	1.0	10 (1978)
4) Acquisition of Sinclair Oil (2)	12/ 4/68	25,738,647	-	1,415,590	55.00	25,738,647	1.0	10 (1978)
Leasco Data:								
1) 5 3/4% Subordinated Debentures	7/ 6/67	1,000,000	1,000,000	16,500	16.50	1,000,000	1.0	20 (1987)
2) Public Offering Common Plus Warrants	6/ 4/68	350,000	350,000	12,180	34.80	350,000	1.0	10 (1978)
3) Acquisition of Reliance Insurance Company	8/19/68	6,978,175	6,629,266	242,834	34.80	6,978,175	1.0	10 (1978)
Loews:								
1) Acquisition of Lorillard	11/29/68	6,477,357	6,477,357	226,695	35.00 (1st 4 yrs.) 37.50 (2nd 4 yrs.) 40.00 (final 4 yrs.)	6,477,357	1.0	12 (1980)
National General:								
1) Acquisition of National Telefilm	2/15/59	1,071,708	1,071,708	5,323	4.97	310,795	0.29	15 (1974)
2) Acquisition of Columbia Savings and Loan	6/25/64	894,196	894,196	13,413	15.00	894,196	1.0	10 (1974)
3) Acquisition of Great American Holding Corporation	9/19/68	5,640,000	8,119,942	324,800	40.00	8,119,942	1.0	10 (1978)

FOOTNOTES:
(1) Merger discussions terminated on approximately 10/29/68.
(2) Withdrew offer on approximately 12/30/68.
(3) Warrant distributed as a stock dividend to stockholders of record on 1/31/69 in the amount of .15 of a warrant per each common share owned, aggregating to approximately 4864 warrants.

CAL--7/9/69

Warrants in Acquisitions

Effect on Market Price of Common Stock and Existing Warrants

Basic Data I.

Common Shares Outstanding (With Maximum Common Shares Issuable as a % of each)			Common Shares Outstanding (With Actual Common Shares Issuable as a % of Each)		
Prior to Exchange	After Exchange	After All Warrants Exercised	Prior to Exchange	After Exchange	After All Warrants Exercised
3,875,328 (15.5%)	3,875,328 (15.5%)	4,475,328 (13.4%)	3,875,328 15.5%	3,875,328 15.5%	4,473,328 (13.4%)
			-	-	-
3,875,328 (238.3%) 4,458,896 (203.7%)	3,875,328 (238.3%) 7,898,846 (158.5%)	13,711,104 (67.4%) 21,016,239 (59.7%)	4,458,896 (203.3%)	7,898,846 (114.8%)	17,563,992 (51.6%)
3,226,044 (153.3%)	4,747,734 (104.2%)	9,693,226 (51.0%)			
2,550,872 (566.8%)	2,550,872 (566.8%)	17,010,872 (85.0%)	2,550,872 (362.6%)	2,550,872 (362.6%)	11,800,872 (78.4%)
11,615,840 (8.8%)	11,615,840 (8.8%)	12,637,749 (8.1%)	11,615,840 (8.8%)	11,615,840 (8.8%)	12,637,749 (8.1%)
13,831,223 (16.8%) 13,831,223 (19.5%) 15,120,860 (170.2%)	13,831,223 (16.8%) 13,831,223 (19.5%) 15,120,860 (170.2%)	19,876,964 (11.7%) 19,876,964 (13.6%) 46,905,248 (54.9%)	13,831,223 (16.8%) 13,831,223 (19.5%) -	13,831,223 (16.8%) 13,831,223 (19.5%) -	19,876,964 (11.7%) 18,876,964 (13.6%) -
5,245,900 (19.1%)	5,245,900 (19.1%)	6,245,900 (16.0%)	5,245,900 (19.1%)	5,245,900 (19.1%)	6,245,900 (16.0%)
5,366,950 (6.5%) 6,808,148 (102.7%)	6,786,950 (5.2%) 6,808,148 (102.7%)	8,136,950 (4.3%) 15,136,323 (49.4%)	5,366,950 (6.5%) 6,808,148 (102.7%)	6,786,950 (5.2%) 6,808,148 (102.7%)	8,136,950 (4.3%) 14,787,414 (44.8%)
14,306,235 (45.3%)	14,306,235 (45.3%)	20,783,592 (31.1%)	14,306,235 (45.3%)	14,306,235 (45.3%)	20,783,592 (31.1%)
2,880,265 (10.8%)	2,880,265 (10.8%)	3,191,060 (9.7%)	2,880,265 (10.8%)	2,880,265 (10.8%)	3,191,060 (9.7%)
3,592,523 (24.9%)	3,592,523 (24.9%)	4,797,514 (18.6%)	3,592,523 (24.9%)	3,592,523 (24.9%)	4,797,514 (18.6%)
3,627,998 (223.8%)	3,627,998 (223.8%)	12,952,931 (62.7%)	3,627,998 (223.8%)	3,627,998 (223.8%)	12,952,931 (62.7%)

Traded ASE/OTC	Special Provisions	General Anti Dilution Provisions
OTC	1) Debentures at par can be used in lieu of cash to exercise warrants. 2) Warrants not detachable for 2 months.	1) Issuance of Stock as a dividend on Common Stock; issuance to Common Stock Holders of Rights or Warrants to subscribe for Common Stock at less than current market, evidences of indebtedness of the Company or of assets and subdivision or reclassification of Common.
ASE	1) Board may reduce exercise price by an amount not in excess of 33 1/3% of purchase price.	1) Same as above.
OTC	1) Company reserves right to allow use of debt securities in lieu of cash to exercise warrants. 2) Board may reduce exercise price by an amount not in excess of 33 1/3% of purchase price for 21 days. 3) Warrants may be redeemed in whole, upon 30 days notice, at $55.	1) Issuance of common stock for less than exercise price in effect; subdivision consolidation or reclassification of common; no adjustment required when company exchanges shares of common stock or security carrying right to acquire same for cash, services or property.
OTC	1) Debentures at par can be used in lieu of cash to exercise warrants. 2) Board may reduce exercise price by an amount not in excess of 33 1/3% of purchase price.	1) Same as AMX. Also no adjustment required when company exchanges shares of Common Stock or security carrying right to acquire same for cash, services or property.
ASE		1) Same as AMX. Also dividends must exceed 5% in any given year to require adjustments; adjustment in exercise price must be greater than $1.00. Also no adjustment required when company exchanges shares of Common Stock or security carrying right to acquire same for cash services or property.
ASE		1) Same as AMX and Gulf & Western.
ASE		1) Same as AMX and Gulf & Western.
ASE		1) Same as AMX and Gulf & Western
OTC	1) Warrants not detachable for 1.5 months 2) Debentures can be applied to exercise warrants in lieu of cash.	1) Same as AMX. No adjustments will be made if amount of adjustment less than $.50. Adjustments required if additional Stock issued for less than purchase price.
ASE		1) Same as AMX and Leasco.
ASE		1) Same as AMX and Leasco.
ASE	1) 6 7/8% Subordinated Debentures at par can be applied to exercise warrants in lieu of cash.	1) Same as AMX. No adjustments will be made unless such adjustment would reflect a 1% change.
OTC		1) Adjustments required when: Stock issued for less than warrant exercise price then in effect; Common Stock reclassified and/or issued as a stock dividend.
ASE	1) 5% Subordinated Debentures at par can be applied in lieu of cash to exercise warrant provided warrant has not been previously detached.	1) Same as National General
ASE		1) Same as National General

	Common Stock						
	Months Prior to Announcement Date			Announcement Date	Effective Date of Offer	Initial Trading In Warrants	Expiration of Offer
	3	2	1				
AMK Corporation (5)							
	3/28/68	4/29/68	5/28/68	6/28/68			
2. Great American Holding Company	33.50	44.82	46.00	46.00	(a)	(a)	(a)
Dow Jones Industrial Average	835.12	908.34	896.78	897.80			
	9/ 4/68	10/ 4/68	11/ 4/68	12/ 4/68	1/13/69	1/14/69	2/ 3/69
3. United Fruit	46.12	46.75	46.63	51.50	48.75	48.37	45.00
Dow Jones Industrial Average	906.95	952.95	946.23	971.69	923.11	908.33	946.85
Bangor Punta (6)							
	2/ 6/69	3/ 6/69	4/ 4/69	5/ 9/69			
1. Piper Aircraft	49.00	39.12	34.75	34.37	(a)	--	--
Dow Jones Industrial Average	946.67	913.54	929.97	961.61			
General Host							
	9/24/68	10/24/68	11/25/68	12/24/68	1/31/69	2/13/69	2/19/69
1. Armour Co.	31.75	37.37	37.12	40.50	38.88	38.88	31.37
Dow Jones Industrial Average	938.28	956.74	971.35	952.32	946.05	952.70	925.10
Gulf & Western (7)							
	5/17/67	6/16/67	7/17/67	8/17/67	1/11/68 (a)	1/26/68	
1. Consolidated Cigar (a)	55.12	60.88	60.37	58.37	62.50	58.12	--
Dow Jones Industrial Average	882.24	885.00	882.74	918.23	899.79	865.06	
	10/18/67	11/17/67	12/20/67	1/18/68	7/ 1/68	11/ 1/68	7/30/68
2. Brown & Co. (b)	56.25	51.75	53.37	62.25	48.37	50.12	42.50
Dow Jones Industrial Average	903.49	862.11	886.90	882.80	896.35	948.41	883.00
	2/ 8/68	3/ 8/68	4/ 8/68	5/ 8/68	7/ 1/68	7/ 1/68	7/19/68
3. Allis Chalmers	49.67	40.75	44.50	51.25	48.37	48.37	46.75
Dow Jones Industrial Average	850.32	835.24	884.42	918.86	896.35	896.35	913.92
	7/25/68	8/26/68	9/26/68	10/25/68	12/ 9/68	12/ 9/68	12/20/68 (c)
4. Sinclair (c)	42.50	40.67	46.00	51.50	55.50	55.50	53.37
Dow Jones Industrial Average	885.47	896.13	933.24	961.28	979.36	979.36	966.99

FOOTNOTES:

(4) All prices obtained from the National Daily Quotation Service represent the "High Bid" on those particular dates.

(5a) Merger negotiations terminated.
(5b) Prices based on one, two and three months after Announcement Date.
(5c) Warrant price not available for 7/29/68.

(6a) Offer not as yet effective.
(6b) Prices based on dates one and two months after Announcement Date.
(6c) Warrants not traded on 5/9/69.

(7a) Effective Date of Merger.
(7b) Warrant prices not available.
(7c) Represents the initial Expiration Date of the offer which was withdrawn on approximately 12/30/68.

IG--7/8/69

Market Data II (4)

Months After Effective Date 1	2	3	Months Prior to Announcement Date 3	2	1	Announcement Date	Existing Warrant Effective Date of Offer	Initial Trading In Warrants	Expiration of Offer
/20/68	8/20/68	9/20/68	3/28/68	4/29/68	5/28/68	6/28/68			(a)
43.25 (b)	44.25 (b)	50.88 (b)	23.00	22.25	24.75	25.00	(a)	(a)	
83.30	804.33	933.80	835.12	908.34	896.78	897.80			
/14/69	3/14/69	4/14/69	9/ 4/68	10/ 4/68	11/ 4/68	12/ 5/68	1/13/69	1/14/69	2/ 3/69
41.25	32.67	34.00	18.00	19.25	18.00	24.50	22.50	21.50	20.75
91.95	904.28	932.64	906.95	952.95	946.23	977.69	923.11	928.33	946.85
9/ 9/69 (b)	7/ 7/69 (b)		2/ 6/69	3/ 6/69	4/ 9/69	5/ 9/69 (c)			--
31.63	25.37	--	15.00	12.00	8.00	--	(a)	--	
918.05	883.21		946.67	913.54	929.97	961.61			
/28/69	3/28/69	4/30/69							
31.00	27.37	29.75							
905.21	935.48	950.00							
2/13/68	3/11/68	4/11/68							
48.75	41.75	43.63							
831.77	843.04	905.69							
9/ 1/68	2/ 3/68	10/ 1/68	10/18/67 (b)	11/17/67 (b)	12/20/67 (b)	1/18/68 (b)	7/ 1/68	11/ 1/68	7/30/68
41.37	41.00	45.63					18.37	18.12	14.63
878.07	900.36	942.32					896.35	948.41	883.00
8/ 1/68	9/ 3/68	10/ 1/68	2/ 8/68	3/ 8/68	4/ 8/68	5/ 8/68	7/ 1/68	7/ 1/68	7/19/68
41.37	41.00	45.63	21.88	19.50	19.63	20.00	18.37	18.37	17.75
878.07	900.36	942.32	850.32	835.24	884.42	918.86	896.35	896.35	913.92
1/ 9/69	2/ 7/69	3/10/69	7/25/68	8/26/68	9/26/68	10/25/68	12/ 9/68	12/ 9/68	12/20/68
47.75	45.75	37.88	15.88	16.63	15.63	19.00	19.00	19.00	18.37
927.46	947.85	917.14	885.47	896.13	933.24	961.28	979.36	979.36	966.99

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Months After Effective Date 1	2	3	Warrants Issued: Initial Trading In Warrants	Expiration of Offer	Months After Effective Date 1	2	3
7/30/68 (c)	8/29/68	9/27/68					
20.50 (b)	17.50 (b)	24.00 (b)					
883.00	894.33	933.80					
2/13/69	3/13/69	4/14/69	1/14/69	2/ 3/69	2/13/69	3/13/69	4/14/69
19.25	23.00	24.00	17.75	17.50	16.25	11.88	10.00
952.70	907.14	932.64	928.33	946.85	952.70	907.14	932.64
6/ 9/69 (b)	7/ 7/69 (b)						
9.75	7.50	--					
918.05	883.21						
			2/13/69	2/14/69	2/28/69	3/28/69	4/30/69
			15.00	14.25	10.50	8.75	8.37
			952.70	951.95	905.21	935.48	950.00
			1/26/68		2/13/68	3/11/68	4/11/68
			26.88	--	21.00	20.37	19.25
			865.06		952.70	920.93	933.46
8/ 1/68	9/ 3/68	10/ 1/68	7/ 1/68	7/30/68	8/ 1/68	9/ 3/68	10/ 1/68
13.88	15.88	15.88	18.37	14.50	13.88	15.88	15.88
878.07	900.36	942.32	896.35	883.00	878.07	900.36	943.32
8/ 1/68	9/ 3/68	10/ 1/68	7/ 1/68	7/19/68	8/ 1/68	9/ 3/68	10/ 1/68
13.88	15.88	15.88	18.37	17.75	13.88	15.88	15.88
878.07	900.36	942.32	896.35	913.92	878.07	900.36	942.32
1/ 9/69	2/ 7/69	3/10/69	12/ 9/68	12/20/68	1/ 9/69	2/ 7/69	3/10/69
17.12	16.25	13.63	19.00	18.37	17.12	16.25	13.63
927.46	947.85	917.14	979.36	966.99	927.46	947.85	917.14

Market Data II (4)

	Common Stock										Market Data II (4)			
	Months Prior to Announcement Date							Months After Effective Date			Months Prior to Announcement Date			
Lessee Data Processing (8)	3	2	1	Announcement Date	Effective Date of Offer	Initial Trading In Warrants	Expiration of Offer	1	2	3	3	2	1	Announcement Date
	3/25/68	4/24/68	5/24/68	6/24/68	8/19/68	8/22/68	10/21/68	9/19/68	10/18/68	11/19/68	3/27/68	4/24/68	5/22/68	6/24/68
3. Reliance Insurance Co. (a)	19.80	28.85	33.00	34.45	34.60	38.70	45.30	42.00	44.90	52.95	1) 9.80	17.60	18.00	19.75
Dow Jones Industrial Average	827.27	898.46	895.28	901.83	887.68	888.30	967.49	923.98	967.49	966.75	836.57	898.46	896.79	
														2) 28.00
														901.83
Loew's (9)														
	6/ 6/68	7/ 8/68	8/ 6/68	9/ 6/68	12/ 3/68 (a)	11/26/68		1/ 3/69	2/ 3/69	3/ 3/69				
1. Lorillard Corp. (a)	33.25	31.12	27.54	36.33	53.33	49.75	--	53.25	57.00	46.13				
Dow Jones Industrial Average	910.13	912.60	876.92	921.25	985.21	979.49		951.89	946.85	908.63				
National General (10)														
	12/17/63	1/27/64	2/28/64	3/31/64	8/28/64	8/14/64	(c)	9/30/64	10/22/64	11/23/64	12/17/63	1/27/64	2/28/64	3/31/64
2. Columbia Savings and Loan (a)	9.37	9.25	9.25	8.75	10.25	10.12		12.75	13.75	11.00	0.60	0.90	(b)	0.75
Dow Jones Industrial Average	766.38	785.34	800.14	813.29	839.09	838.81		857.37	877.01	889.29	766.38	785.34	- 800.14	813.29
	3/27/68	4/26/68	5/27/68	6/27/68	9/19/68	9/20/68	10/ 4/68	10/18/68	11/19/68	12/19/68	3/27/68	4/26/68	5/27/68	6/27/68
3. Great American Holding Company	24.75	30.75	37.75	54.75	49.12	50.00	54.50	55.37	47.88	48.88	1) 17.12 2) 6.50	21.33 4.00	23.00 3.50	39.25 10.75
Dow Jones Industrial Average	836.57	906.03	891.60	898.76	923.98	924.42	952.95	967.49	966.75	975.14	836.57	906.03	891.60	898.76

FOOTNOTES:

(4) All prices obtained from the National Daily Quotation Service represent the "High Bid" on those particular dates.

(8a) Warrants not traded on 10/21/68.

(9a) Effective Date of Merger.

(10a) Dates used are approximate.
(10b) Warrant price not available.
(10c) Expiration date not available.

Existing Warrant						Warrants Issued				
Effective Date of Offer	Initial Trading In Warrants	Expiration of Offer	Months After Effective Date 1	2	3	Initial Trading In Warrants	Expiration of Offer	Months After Effective Date 1	2	3
8/19/68	8/22/68	10/21/68 (a)	9/19/68	10/18/68	11/19/68	8/22/68	10/21/68	9/19/68	10/18/68	11/19/68
26.00	27.20	--	28.00	32.00	33.60	16.00	23.40	19.50	22.65	28.10
						888.30	967.49	923.98	967.49	966.75
18.40	16.80	23.40	19.20	22,65	28.10					
887.68	888.30	967.49	923.98	967.49	966.75					
						11/26/68	12/ 3/68 (a)	1/ 3/69	2/ 4/69	3/ 3/69
						26.50	30.37	34.13	33.88	27.12
						979.49	985.21	951.89	946.85	908.63
8/28/64	8/14/64	(c)	9/30/64	10/22/64	11/23/64	8/14/64	(c)	9/30/64	10/22/64	11/23/64
0.88	(b)		1.05	0.95	0.80	2.75		4.37	5.12	(b)
839.09						838.81		857.37	877.01	889.29
9/19/68	9/20/68	10/ 4/68	10/18/68	11/19/68	12/19/69	9/20/68	10/ 4/68	10/18/68	11/19/68	12/19/68
37.88	39.12	41.63	42.75	34.88	36.00	21.00	23.50	25.25	22.50	22.63
9.00	9.00	10.25	9.75	9.50	8.50					
923.98	924.42	952.95	967.49	966.75	975.14	924.42	952.95	967.49	966.75	975.14

	Year Expiration	Warrants Outstanding (000)	Number of Common Shares	Cash Required / Exercise Price	As of 5/7/69 Price of Common	Current Price Earnings Ratio (2)	Price of Warrant	Common Volume (Hundreds)	Warrant Volume (Hundreds)	Effective Exercise Price (7)	% Common Must Increase (8)	Market Price of Common	Current Price Earnings Ratio (2)	Market Price of Warrant
AMK	1979	6,000	1.0	$46.00	$34.37	23.9	$10.12	166	696	$56.12	63%	$32.75	22.7	$ 9.75
% Change from Prior Week												- 4.7%		- 3.7%
Automatic Sprinkler (3)	1978	290	1.0	30.00	19.87	--	5.50 Bid	74	--	35.50	79	19.37		6.25
% Change from Prior Week												- 2.5%		-- %
Avco (4)	1978	2,900	1.0	56.00	34.25	8.9	10.12	193	69	61.12	78	33.00	8.6	10.00
% Change from Prior Week												- 3.6%		- 1.2%
Bangor Punta (5)	1981	453	1.0	55.00	32.75	12.9	12.50	402	--	67.50	106	33.12	12.6	12.50
% Change from Prior Week												+ 1.1%		-- %
General Host (6)	1979	8,000	1.0	40.00	28.00	19.7	8.75	23	--	34.00	21	26.25	18.5	8.00
% Change from Prior Week												- 6.3%		- 8.6%
Gulf & Western	1978	7,200	1.0	55.00	32.00	9.0	10.00	195	260	65.00	103	31.50	8.8	9.75
% Change from Prior Week												- 1.6%		- 2.5%
National General	1978	9,466	1.0	40.00	38.50	21.4	13.25	131	562	53.25	38	43.50	24.2	14.87
% Change from Prior Week												+13.0%		+12.2%
National Industries	1978	7,014	1.0	21.40	15.12	17.0	8.62	111	18	30.02	99	15.25	17.1	8.25
% Change from Prior Week												+ 0.9%		- 4.3%
Whittaker	1979	1,400	1.0	50.00	30.12	19.3	10.12	148	--	60.12	100	29.00	18.6	9.87
% Change from Prior Week												- 3.7%		- 2.5%
Average											76%			

NOTES:
(1) Primary reference "Convertible Fact Finder" published by Kalb, Voorhis & Company, New York, New York.
(2) Latest Twelve Months as reported by Standard & Poor's through 5/31/69. AMK, Bangor Punta, Gulf & Western, National General, National Industries, and Whittaker all reported on residual basis.
(3) Exercise terms change 10/73.
(4) Debentures 7 1/2% of 1933 at par in lieu of cash.
(5) Callable at 55.
(6) Debentures 7% of 1994 at par in lieu of cash.
(7) Exercise price plus market price of warrant and adjusted where allowed by use of debenture at par.
(8) Effective exercise price divided by current common market price.

Study of Selected Warrants (1)

As of 5/14/69

Common Volume (Hundreds)	Warrant Volume (Hundreds)	Effective Exercise Price (7)	% Common Must Increase (8)
298	523	$55.75	70%
78	--	36.25	87
158	109	61.00	85
42	--	67.50	104
64	--	32.25	23
217	560	64.75	106
459	562	54.87	26
103	44	29.65	94
707	--	59.87	106
			78%

As of 5/21/69

Price of Common	Current Price Earnings Ratio (2)	Price of Warrant	Common Volume (Hundreds)	Warrant Volume (Hundreds)	Effective Exercise Price (7)	% Common Must Increase (8)
$33.75 + 3.1%	23.4	$ 9.87 + 1.2%	333	1,311	$55.87	66%
19.62 + 1.3%		6.25 -- %	181	--	36.25	85
32.00 - 3.0%	8.4	9.87 - 1.3%	3,279	91	61.00	91
33.25 + 0.4%	12.7	11.00 -12.0%	62	--	66.00	98
25.87 - 1.4%	18.2	8.00 -- %	43	--	32.25	25
32.00 + 1.6%	9.0	10.37 + 6.4%	493	1,073	65.37	104
40.00 - 8.0%	22.2	13.62 - 8.4%	304	433	53.62	34
13.87 - 9.0%	15.6	8.00 - 3.0%	108	18	29.40	112
27.75 - 4.3%	17.8	9.50 - 3.7%	1,246	136	59.50	114
						81%

As of 5/28/69

Price of Common	Current Price Earnings Ratio (2)	Price of Warrant	Common Volume (Hundreds)	Warrant Volume (Hundreds)	Effective Exercise Price (7)	% Common Must Increase (8)
$31.25 - 7.4%	21.7	$ 9.25 - 6.3%	325	286	$55.25	77%
19.12 - 2.5%		6.00 Bid - 4.0%	44	--	36.00	88
31.25 - 2.3%	8.2	9.00 - 8.8%	184	92	60.00	92
32.12 - 3.4%	12.3	11.25 + 1.0%	35	--	66.25	106
25.00 - 3.4%	17.6	8.12 + 1.5%	281	--	31.62	26
29.87 - 6.7%	8.4	9.87 - 4.8%	190	134	64.87	117
36.87 - 7.8%	20.5	11.75 -13.7%	103	645	51.75	40
13.50 - 2.7%	15.2	7.87 - 1.6%	85	65	29.27	117
26.00 - 6.3%	16.7	8.87 - 6.6%	141	22	58.87	126
						87%

Exchange Warrant Traded		Year Expiration	Warrants Outstanding (000)	Number of Common Shares	Cash Required / Exercise Price	As of 6/4/69 Price of Common	Current Price Earnings Ratio (2)	Price of Warrant	Common Volume (Hundreds)	Warrant Volume (Hundreds)	Effective Exercise Price (7)	% Common Must Increase (8)	As of 6/ Price of Common	Current Price Earnings Ratio (2)	Price of Warrant	Common Volume (Hundreds)
ASE	AMK	1979	6,000	1.0	$46.00	$29.25	20.3	$ 8.75	251	390	$54.75	87%	$30.12	20.9	$ 9.00	189
	% Change from Prior Week					- 6.4%		- 5.4%					+ 3.0%		+ 2.8%	
OTC	Automatic Sprinkler (3)	1978	290	1.0	30.00	18.50		6.00 Bid	89	--	36.00	95	17.12		5.50	66
	% Change from Prior Week					- 3.2%		-- %					- 7.5%		- 8.3%	
ASE	Avco (4)	1978	2,900	1.0	56.00	30.62	8.0	9.12	218	100	57.00	86	28.25	7.4	7.37	1,239
	% Change from Prior Week					- 2.0%		+ 1.3%					- 7.7%		-19.2%	
OTC	Bangor Punta (5)	1981	453	1.0	55.00	30.87	11.8	10.25	66	--	65.25	111	30.62	11.7	10.00	142
	% Change from Prior Week					- 3.9%		- 8.9%					- 0.8%		- 2.4%	
OTC	General Host (6)	1979	8,000	1.0	40.00	25.12	17.7	7.50	86	--	30.62	22	24.00	16.9	7.00	67
	% Change from Prior Week					+ 0.5%		- 7.6%					- 4.5%		- 6.7%	
ASE	Gulf & Western	1978	7,200	1.0	55.00	29.62	8.3	9.75	247	73	64.75	119	27.87	7.8	9.00	274
	% Change from Prior Week					- 0.8%		- 1.2%					- 5.9%		- 7.7%	
ASE	National General	1978	3,466	1.0	40.00	35.87	19.9	11.00	170	246	51.00	42	34.25	19.0	11.00	92
	% Change from Prior Week					- 2.7%		- 6.4%					- 4.5%		-- %	
ASE	National Industries	1978	7,014	1.0	21.40	13.37	15.0	7.12	90	20	28.52	113	12.50	14.0	6.37	82
	% Change from Prior Week					- 1.0%		- 9.5%					- 6.5%		-10.5%	
ASE	Whittaker	1979	1,400	1.0	50.00	24.00	15.4	8.25	339	29	58.25	143	25.50	16.3	8.25	111
	% Change from Prior Week					- 7.8%		- 7.0%					+ 6.3%		-- %	
	Average											91%				

FOOTNOTES:
(1) Primary reference "Convertible Fact Finder" published by Kalb, Voorhis & Company, New York, New York.
(2) Latest Twelve Months as reported by Standard & Poor's through 5/31/69. AMK, Bangor Punta, Gulf & Western, National General, National Industries, and Whittaker all reported on residual basis.
(3) Exercise terms change 10/73.
(4) Debentures 7 1/2% of 1993 at par in lieu of cash.
(5) Callable at 55.
(6) Debentures 7% of 1994 at par in lieu of cash.
(7) Exercise price plus market price of warrant and adjusted where allowed by use of debenture at par.
(8) Effective exercise price divided by current common market price.

d Warrants (1)

/69

Warrant Volume (Hundreds)	Effective Exercise Price (7)	% Common Must Increase (8)
769	$55.00	83%
--	35.50	107
849	55.50	96
--	65.00	112
--	29.00	21
309	64.00	130
229	51.00	49
23	27.77	122
45	58.25	128
		94%

As of 6/18/69

Price of Common	Current Price Earnings Ratio (2)	Price of Warrant	Common Volume (Hundreds)	Warrant Volume (Hundreds)	Effective Exercise Price (7)	% Common Must Increase (8)
$27.00 -10.4%	18.8	$ 8.37 - 7.0%	332	482	$54.37	101%
17.32 + 1.2%		6.50 +18.2%	142	--	36.50	107
27.87 - 1.3%	7.3	7.00 - 5.0%	164	186	55.00	97
29.37 - 4.1%	11.2	9.50 - 5.0%	36	--	64.50	120
23.87 - 0.5%	16.8	6.62 - 5.4%	39	--	29.25	23
28.12 + 0.9%	7.9	8.37 - 7.0%	278	213	63.37	125
30.12 -12.1%	16.7	8.87 -19.4%	226	494	48.87	62
12.00 - 4.0%	13.5	6.00 - 5.8%	140	6	27.40	128
24.75 - 2.9%	15.9	7.75 - 6.1%	158	9	57.75	133
						100%

As of 6/25/69

Price of Common	Current Price Earnings Ratio (2)	Price of Warrant	Common Volume (Hundreds)	Warrant Volume (Hundreds)	Effective Exercise Price (7)	% Common Must Increase (8)
$25.75 - 4.6%	17.9	$ 8.00 - 4.4%	197	257	$54.00	110%
16.62 - 4.0%		5.75 -11.5%	66	--	35.75	115
26.62 - 4.5%	7.0	6.75 - 3.6%	250	287	54.25	104
26.37 -10.2%	10.1	8.75 - 7.9%	24	--	63.75	142
24.25 + 1.6%	17.1	7.00 + 5.7%	157	--	30.50	26
25.00 -11.0%	7.0	7.75 - 7.4%	406	184	62.75	151
28.75 - 4.5%	16.0	8.00 - 9.8%	49	347	48.00	67
11.87 - 1.1%	13.3	6.00 -- %	51	42	27.40	131
21.62 -12.6%	13.9	7.37 - 4.9%	168	40	57.37	165
						112%

ange rant ded		Year Expiration	Warrants Outstanding (000)	Number of Common Shares	Cash Required / Exercise Price	As of 7/2/69 Price of Common	Current Price arnings atio (2)	Price of Warrant	Common Volume (Hundreds)	Warrant Volume (Hundreds)	Effective Exercise Price (7)	% Common Must Increase (8)
SE	AMK % Change from Prior Week	1979	6,000	1.0	$46.00	$26.25 + 1.9%	18.2	$ 8.00 -- %	176	345	$54.00	106%
NC	Automatic Sprinkler (3) % Change from Prior Week	1978	290	1.0	30.00	16.87 + 1.5%		6.00 + 4.3%	104	--	36.00	113
SE	Avco (4) % Change from Prior Week	1978	2,900	1.0	56.00	27.75 + 4.2%	7.2	7.12 + 5.5%	128	239	54.00	95
TC	Bangor Punta (5) % Change from Prior Week	1981	453	1.0	55.00	25.75 - 2.4%	9.8	8.50 - 2.9%	127	--	63.50	147
TC	General Host (6) % Change from Prior Week	1979	8,000	1.0	40.00	24.87 + 2.6%	17.5	5.62 -19.7%	9	--	30.50	23
SE	Gulf & Western % Change from Prior Week	1978	7,200	1.0	55.00	25.87 + 3.5%	7.2	8.25 + 6.5%	1,812	117	63.25	144
SE	National General % Change from Prior Week	1978	9,466	1.0	40.00	30.12 + 4.8%	16.7	8.87 +10.9%	225	241	48.87	62
ASE	National Industries % Change from Prior Week	1978	7,014	1.0	21.40	11.50 - 3.1%	12.9	5.75 - 4.2%	31	5	27.15	136
ASE	Whittaker % Change from Prior Week	1979	1,400	1.0	50.00	22.25 + 2.9%	14.3	7.62 + 3.4%	133	17	57.62	159
	Average											109%

OTNOTES:

1) Primary reference "Convertible Fact Finder" published by Kalb, Voorhis & Company, New York, New York.
2) Latest Twelve Months As reported by Standard & Poor's through 5/31/69. AMK, Bangor Punta, Gulf & Western, National Gene National Industries and Whittaker all reported on residual basis.
3) Exercise terms change 10/73.
4) Debentures 7 1/2% of 1993 at par in lieu of cash.
5) Callable at 55.
6) Debentures 7% of 1994 at par in lieu of cash.
7) Exercise price plus market price of warrant and adjusted where allowed by use of debenture at par.
8) Effective exercise price divided by current common market price.
9) Friday's close.

AL-MKT--7/9/69

ected Warrants (1)

As of 7/9/69						
Price of Common	Current Price Earnings Ratio (2)	Price of Warrant	Common Volume (Hundreds)	Warrant Volume (Hundreds)	Effective Exercise Price (7)	% Common Must Increase (8)
$25.12 - 4.3%	17.4	$ 7.62 - 4.8%	188	100	$53.62	113%
16.37 - 3.0%		5.75 - 4.2%	50	--	35.75	118
26.12 - 5.9%	6.8	6.75 - 5.2%	112	218	54.63	109
25.00 + 2.9%	9.5	8.25 - 2.9%	37	--	63.25	153
22.25 -10.5%	15.7	5.12 - 8.9%	69	--	28.32	27
24.00 - 7.2%	6.7	8.12 - 1.6%	452	70	63.12	163
27.00 -10.4%	15.0	7.87 -11.3%	41	202	47.87	77
11.62 + 1.0%	13.1	6.00 + 4.3%	79	9	27.40	136
22.75 + 2.2%	14.6	7.75 + 1.7%	63	12	57.75	154
						117%

As of 7/14/69						
Price of Common	Current Price Earnings Ratio (2)	Price of Warrant	Common Volume (Hundreds)	Warrant Volume (Hundreds)	Effective Exercise Price (7)	% Common Must Increase (8)
$24.00 - 4.5%	16.7	$ 7.12 - 6.6%	126	329	$53.12	121%
15.87 - 3.0%		5.75 --	64	--	35.75	125
25.12 - 3.8%	6.6	6.37 - 5.6%	161	88	54.25	116
24.50 - 2.0%	9.4	8.50 + 3.0%	29	--	63.50	159
20.00 -10.1%	14.1	4.12 -19.5%	39	--	27.32	37
21.75 - 9.4%	6.1	7.50 - 7.6%	246	90	62.50	187
24.50 - 9.3%	13.6	6.62 -15.9%	109	539	46.62	90
10.25 -11.8%	11.5	5.75 - 4.2%	89	5	27.15	165
23.12 + 1.6%	14.8	7.12(9) - 8.1%	176	--	57.12	147
						127%

arrant Market Data

Leasco Data Processing Equipment								Closing Dow Jones Industrial Average
High	Low	Close	Volume	High (a)	Low (a)	Close (a)	Volume (a)	
17.63	16.63	17.00	25,100	24.00	23.37	24.00	1,725	912.49
17.63	17.00	17.00	27,600	23.00	22.50	23.00	10,830	904.60
17.37	16.25	16.37	21,700	23.00	22.25	22.25	1,525	892.58
17.12	16.25	16.50	40,300	22.50	22.00	22.12	4,215	894.84
16.50	15.37	15.37	42,600	22.75	22.12	22.75	1,910	891.16
15.50	14.75	15.37	26,800	22.00	21.00	22.00	3,500	885.73
16.12	15.63	15.63	24,500	22.50	20.12	22.00	7,922	887.09
15.75	14.50	15.00	48,500	20.25	19.63	20.00	3,697	882.37
15.12	13.63	14.00	40,200	20.88	18.00	19.00	9,175	876.16
14.12	13.00	13.88	63,400	19.00	17.50	19.00	800	870.86
15.00	14.00	14.25	42,800	20.50	19.00	19.75	1,458	877.20
14.63	13.75	13.75	32,900	19.63	19.00	19.00	718	874.10
14.12	13.25	14.12	40,600	20.00	18.00	20.00	2,175	870.28
14.63	14.12	14.12	21,900	20.00	20.00	20.00	691	869.76
14.50	14.00	14.50	152,300	22.00	20.00	22.00	8,350	873.19
14.75	14.37	14.63	60,300	22.25	22.12	22.25	2,700	875.90
15.00	14.37	14.37	64,700	23.37	21.12	22.00	700	880.69
15.25	14.50	15.25	76,400	23.00	21.50	23.00	3,251	886.12
15.75	15.37	15.37	38,700	23.50	22.25	22.25	800	883.21
15.37	14.63	14.63	22,200	21.00	20.00	21.00	550	870.35
14.75	14.37	14.50	16,700	21.00	20.00	21.00	662	861.62
14.00	12.63	12.75	86,600	19.00	17.00	19.00	1,927	847.79
13.25	12.50	12.75	97,300	(b)	(b)	(b)	(b)	852.38

National General Corporation						
Close	Volume		High	Low	Close	Volume
20.50	4,400	2.	11.37	10.75	10.75	25,300
20.00	7,400		11.37	10.75	11.00	22,900
18.12	2,200		10.75	9.75	10.12	595,200
18.12	9,100		10.37	9.88	10.25	96,000
17.00	6,000		10.37	9.50	9.63	40,800
16.50	12,200		9.63	8.88	9.12	48,600
16.75	12,900		9.75	8.88	8.88	49,400
16.37	9,400		8.88	8.25	8.50	54,000
14.88	9,700		8.88	8.25	8.37	34,000
15.63	8,900		8.63	7.63	8.63	53,000
16.75	8,500		9.50	8.88	9.00	43,800
15.75	6,300		9.00	7.88	8.00	34,700
16.63	5,400		8.75	8.00	8.63	51,300
16.88	8,600		9.00	8.50	8.63	28,500
16.37	3,800		8.88	8.50	8.63	31,900
17.00	3,400		8.88	8.63	8.75	33,600
17.50	6,200		8.88	8.75	8.75	24,100
17.37	2,300		8.88	8.63	8.88	28,800
16.88	3,700		8.88	8.50	8.37	35,400
16.00	6,400		8.50	8.00	8.12	27,700
15.25	3,700		8.25	7.75	7.88	20,200
14.63	11,900		8.00	6.88	7.00	87,000
14.63	5,400		7.25	6.75	7.00	97,500

912.49
904.60
892.84
894.84
891.16
885.73
887.09
882.37
876.16
870.96
877.20
874.10
870.28
869.76
873.19
875.90
880.69
886.12
883.21
870.35
861.62
847.79
852.38

Selected

Daily

AMK Corporation

		High	Low	Close	Volume
June	10, 1969	8.88	8.00	8.75	189,100
	11	9.25	8.63	9.00	76,900
	12	9.25	8.63	8.88	72,200
	13	9.12	8.50	9.00	80,300
	16	9.25	8.88	8.88	26,500
	17	8.88	8.50	8.75	48,600
	18	8.88	8.25	8.37	48,200
	19	8.50	8.12	8.37	45,200
	20	8.88	8.12	8.25	30,400
	23	8.37	7.63	8.00	72,900
	24	8.25	8.00	8.25	32,700
	25	8.37	7.88	8.00	25,700
	26	7.88	7.50	7.88	31,200
	27	7.88	7.63	7.75	29,100
	30	8.00	7.63	8.00	24,600
July	1	8.25	8.00	8.00	27,100
	2	8.37	7.88	8.00	34,500
	3	8.63	8.25	8.50	26,300
	7	8.63	8.12	8.12	17,700
	8	8.25	7.50	7.75	47,500
	9	7.75	7.63	7.63	10,000
	10	7.88	7.50	7.50	19,100
	11	7.75	7.37	7.37	36,500

Gulf and Western Industries

High	Low	Close	Volume
9.63	9.25	9.25	11,200
9.50	9.00	9.00	30,900
9.25	9.00	9.00	18,200
9.37	9.00	9.00	12,300
9.37	9.00	9.00	9,200
9.12	8.88	8.88	12,300
8.88	8.25	8.37	21,300
8.63	7.50	7.88	27,100
8.12	7.75	7.75	16,800
7.88	7.50	7.75	24,200
8.25	7.75	8.00	35,100
8.00	7.75	7.75	18,400
8.00	7.63	8.00	9,600
8.25	8.00	8.00	16,500
8.25	8.00	8.25	8,300
8.63	8.00	8.25	18,500
8.25	8.00	8.12	11,700
8.50	8.12	8.37	10,200
8.75	8.25	8.25	11,500
8.25	8.00	8.12	7,300
8.25	7.88	8.12	7,000
8.12	7.63	7.75	8,600
8.00	7.63	7.88	9,900

Loew's Theatres

		High	Low	Close	Volume
June	10, 1969	17.37	16.50	16.88	50,100
	11	17.25	16.12	16.50	320,200
	12	17.12	16.25	16.63	40,900
	13	17.00	16.37	17.00	32,100
	16	17.37	15.25	15.63	29,400
	17	15.75	14.63	15.63	66,200
	18	16.12	14.25	14.25	39,000
	19	14.50	13.50	14.00	51,700
	20	15.00	13.63	13.63	25,200
	23	14.00	13.75	13.63	48,000
	24	15.25	13.75	14.12	53,300
	25	14.75	13.00	13.00	32,000
	26	13.50	12.88	13.50	60,600
	27	14.00	13.50	13.63	34,900
	30	14.00	13.37	13.88	27,700
July	1	14.63	14.12	14.25	27,100
	2	14.63	14.12	14.37	26,400
	3	15.12	14.12	15.12	38,700
	7	16.00	14.50	14.63	30,400
	8	14.50	13.63	13.63	19,700
	9	13.88	13.25	13.37	28,700
	10	13.37	12.12	12.25	46,000
	11	12.88	12.12	12.25	34,700

	High	Low
1.	21.12	20.37
	20.63	20.00
	20.00	18.12
	18.88	18.00
	18.50	17.00
	16.63	16.00
	17.88	16.63
	17.00	15.75
	16.25	14.88
	15.63	14.25
	16.75	15.50
	17.12	15.75
	16.75	15.63
	17.63	16.88
	16.75	16.25
	17.25	16.25
	17.75	16.50
	17.63	17.12
	17.63	16.88
	17.00	15.50
	15.75	15.25
	15.50	14.63
	14.75	15.75

FOOTNOTE:

(a) Quotations from Philadelphia-Baltimore-Washington Exchange.

(b) Not traded on July 11, 1969

IG--7/11/69

Selected Warrant Market

		General Host					
		Edwards & Hanly	Kaufman Alsberg & Co.	Reich & Co.	Tabor Securities Co.	Asiel & Co.	Brukenfeld Mitchell & C
1969	Bid	6.88	6.75	6.75		19.00	20.00
	Ask	7.37	-	7.25		21.00	23.00
	Bid	6.88	6.63	6.50		18.00	17.00
	Ask	6.12	7.12	7.00		20.00	20.00
	Bid	6.50	6.88	6.50		17.50	18.00
	Ask	7.00	7.00	7.00		19.50	21.00
	Bid	-	6.12	6.00		17.00	-
	Ask	-	6.88	6.50		19.00	-
	Bid	6.25	6.37	6.25		18.50	19.00
	Ask	6.75	6.75	6.75		20.50	22.00
	Bid	6.00	6.12	6.00		18.00	19.00
	Ask	6.50	6.63	6.50		20.00	22.00
	Bid	6.12	6.25	6.12		18.00	18.00
	Ask	6.63	6.63	6.63		20.00	21.00
	Bid	5.88	5.75	6.88		18.00	18.00
	Ask	6.37	6.25	7.37		20.50	21.00
	Bid	6.00	6.00	6.00		17.00	18.00
	Ask	6.50	6.50	6.50		19.00	21.00
	Bid	5.88	5.50	5.50	5.50	17.00	17.00
	Ask	6.37	6.00	6.00	--	19.00	20.00
	Bid	5.75	6.00	6.00	5.50	16.50	16.00
	Ask	6.25	6.50	6.50	-	18.50	18.00
	Bid	6.50	6.50	6.50	5.50	16.50	16.00
	Ask	7.00	7.00	7.00	-	18.00	18.00
	Bid	5.88	5.88	5.75		16.50	16.00
	Ask	6.37	6.00	6.25		18.50	18.00
	Bid	5.50	5.75	5.75	5.50	15.00	15.00
	Ask	6.00	6.25	6.25	-	16.50	17.00
	Bid	5.75	5.75	5.75	5.50	14.50	15.00
	Ask	6.25	6.25	6.25	-	16.50	17.00
1969	Bid	5.75	5.37	5.63	5.25	14.50	-
	Ask	6.00	5.88	6.12	-	16.50	-
	Bid	-	5.75	5.88	5.25	14.50	15.00
	Ask	-	6.25	6.37	-	16.50	17.00
	Bid	5.63	5.75	5.75	5.25	16.50	16.00
	Ask	6.12	6.25	6.25	-	18.00	18.00
	Bid	5.75	5.63	5.75		16.50	16.12
	Ask	6.25	6.12	6.25		18.50	18.50
	Bid	5.75	5.25	5.63		16.00	16.00
	Ask	6.25	5.75	6.12		18.00	18.00
	Bid	5.75	5.00	5.25		16.00	16.00
	Ask	5.88	5.50	5.75		18.00	18.00
	Bid	5.25	4.88	4.75		15.50	15.50
	Ask	5.63	5.37	5.25		17.50	17.50
	Bid	4.12	4.37	4.50		15.00	15.00
	Ask	4.63	4.88	5.00		17.00	17.00

AMK Corporation

Ernst & Co.	First Prudential Corp.	Kalb Voorhees & Co.	Kidder Peabody & Co.	Smith Barney & Co.	Wechsler & Kruzholz Inc.
		- -	- -	- -	
		-	-	-	19.00
					22.00
		-	-	-	
		-	-	-	17.00
					21.00
		-	-	18.00	
		-	-	20.00	18.00
					21.00
		-	-	-	
		-	-	-	18.00
					21.00
		-	-	-	
		-	-	-	18.00
					21.00
		-	-	-	
		-	-	-	18.00
					21.00
		-	-	-	
		-	-	-	18.00
					21.00
		-	-	-	
		-	-	-	17.00
					20.00
		-	-	-	
		-	-	-	17.00
					20.00
		-	-	-	
		-	-	-	17.00
					19.00
		-	-	-	
		-	-	-	16.50
					18.50
		-	-	-	
		-	-	---	16.50
					18.50
		-	-	-	
		-	-	-	16.00
					18.00
		17.00	-		
		17.00	-	15.00	
				17.00	14.50
		-	-		16.50
		-	-	14.00	
				16.00	14.50
		-	-		16.50
		-	-	-	
		-	-	-	14.50
					16.50
		15.00	-		
		16.50	-	-	15.00
				-	17.00
		15.50	-		
		17.00	-	-	15.50
				-	17.50
		-	-		
		-	-	16.00	16.50
				18.00	18.50
		16.50	-		
		18.00	-	17.00	16.00
-				19.00	18.00
-		-	-		
-		-	-	16.00	
-	16.50			18.00	16.00
-	18.00	-	-		18.00
				15.00	
-	15.25		-	17.00	15.00
-	17.00	-			17.00
		-		16.00	
				18.00	15.00
					17.00

		Leasco Data Processing Equipment				
		Abraham & Co.	Axelrod & Co.	Filer Bullard Smyth	First Hanover Corp.	First Prudential Cor
June 10, 1969	Bid		-	-	-	
	Ask		-	-	-	
11	Bid		-	-	-	
	Ask		-	-	-	
12	Bid		-	-	-	
	Ask		-	-	-	
13	Bid	-	-	-	-	
	Ask	-	-	-	-	
16	Bid	-	-	-	-	
	Ask	-	-	-	-	
17	Bid	-	-	-	-	
	Ask	-	-	-	-	
18	Bid	20.00	-	-	-	
	Ask	22.00	-	-	-	
19	Bid	-	-	-	-	
	Ask	-	-	-	-	
20	Bid	19.00	-	-	-	
	Ask	20.00	-	-	-	
23	Bid	18.00	-	-	-	
	Ask	20.00	-	-	-	
24	Bid	-	-	-	-	
	Ask	-	-	-	-	
25	Bid	-	-		-	
	Ask	-	-		-	
26	Bid	-	-	-	-	
	Ask	-	-	-	-	
27	Bid	-	-	-	-	-
	Ask	-	-	-	-	-
30	Bid	-	-	-	-	-
	Ask	-	-	-	-	-
July 1, 1969	Bid	-	-	-	-	-
	Ask	-	-	-	-	-
2	Bid	-		21.00	-	-
	Ask	-		23.00	-	-
3	Bid		-	21.00	-	-
	Ask		-	23.00	-	-
7	Bid	-	-	22.00	-	-
	Ask	-	-	24.00	-	-
8	Bid	22.00	-			-
	Ask	-	-	-		-
9	Bid	-	-	-	-	-
	Ask	-	-	-	-	-
10	Bid	-	-	-	-	20.00
	Ask	-	-	-	-	22.00
11	Bid	-	-	-	-	17.00
	Ask	-	-	-	-	19.00

7/11/69

Selected Warrant Market Data

Hertz Warner & Co.	Kalb Vorhees & Co.	Moore & Schleg		Brukenfeld Mitchell & Co.	First Hanover C
	-	-	Bid	-	-
	-	-	Ask	-	-
	-	-	Bid	-	-
	-	-	Ask	-	-
	-	-	Bid	-	-
	-	-	Ask	-	-
	-	-	Bid	-	-
	-	-	Ask	-	-
	-	-	Bid	-	-
	-	-	Ask	-	-
	-	-	Bid	-	-
	-	-	Ask	-	-
	-	-	Bid	-	-
	-	-	Ask	-	-
	-	-	Bid	-	-
	-	-	Ask	-	-
	-	-	Bid	-	-
	-	-	Ask	-	-
	-	-	Bid	-	-
	-	-	Ask	-	-
	-	-	Bid	-	-
	-	-	Ask	-	-
	-	-	Bid	-	-
	-	-	Ask	-	-
	-	-	Bid		
	-	-	Ask		
	-		Bid	-	-
	-		Ask	-	-
	19.00	-	Bid	-	-
	20.50	-	Ask	-	-
		-	Bid	-	-
		-	Ask	-	-
		-	Bid	-	-
		-	Ask	-	-
	-	-	Bid	-	-
	-	-	Ask	-	-
	21.00	-	Bid	-	-
	22.00	-	Ask	-	-
	-	-	Bid	-	-
	-	-	Ask	-	-
	-		Bid	-	-
	-		Ask	-	-
	-	-	Bid	-	-
	-	-	Ask	-	-
	-	-	Bid	-	-
	-	-	Ask	-	-
	-	-	Bid	-	-
	-	-	Ask	-	-

TAB-R Securities Co.	White Weld & Co	National General Corporation			
		Frazee Dlfiers & Co.	Falb Vorbees & Co.	Kaufman Alsberg & Co.	G. A. Saxton & Co.
5.00	-		-	5.00	4.50
5.50	-		-	6.00	5.50
5.00			-	5.00	4.50
5.50			-	6.00	5.50
4.00			-	4.75	4.50
5.00			-	5.75	5.50
4.00			-	4.25	4.50
5.00			-	5.25	5.50
3.75			-	4.25	4.75
4.75			-	5.25	5.75
3.75			-	4.25	4.25
4.75			-	5.00	5.00
3.50		4.00	-	3.75	3.50
-		-	-	4.75	4.50
3.50		3.50	-	3.75	3.50
-		-	-	4.75	4.50
3.50			-	-	3.50
-			-	-	4.50
3.50			-	3.50	3.25
-			-	4.50	4.00
3.50			-	3.50	2.75
-			-	4.50	3.50
3.50				3.75	3.50
-				4.75	4.50
			-	3.75	3.25
			-	4.75	4.00
3.50		3.25	4.00	3.75	3.25
-		-	4.75	4.75	4.25
3.50			-	3.75	3.50
-			-	4.75	4.25
		3.25		3.75	3.50
		-		4.75	4.25
3.50			4.00	3.75	4.00
-			4.75	4.50	4.75
3.50			4.00	4.00	4.25
-			4.75	4.75	5.00
3.50			-	4.00	4.25
-			-	4.75	5.00
3.50			3.75	4.00	4.00
-			4.50	4.75	4.75
3.50			-	3.75	4.00
-			-	4.50	4.75
3.50			-	3.75	4.00
-			-	4.50	4.75
3.50			-	3.25	3.25
-			-	4.00	4.00

Current Market Data on Selected Convertible Subor

any	Automatic Sprinkler	AMX	Commonwealth United	Duplan	Granite Equipment
e: ate / Maturity	4 3/8% / 87	5 1/2% / 94	6% / 83	5 1/2% / 94	6% / 87
t Data: ebentures					
Price Range: 1969	73 1/2 - 56	91 3/4 - 74	150 1/2 - 68	83 1/2 - 68	123 3/4 - 82 3/4
Current Price (7/14/69)	57	74 7/8	69	68 5/8	84
Effective Cost of Common	$ 33.35	$ 41.18	$ 11.04	$ 34.31	$ 32.76
Effective Yield	9.37%	7.82%	10.22%	8.59%	7.63%
Current Yield	7.68%	7.35%	8.70%	8.01%	7.14%
Premium Over Conversion	110.1%	71.6%	26.2%	61.5%	32.4%
ommon					
Price Range: 1969	25 5/8 - 15 7/8	55 1/4 - 24	24 3/4 - 8 3/4	50 5/8 - 21	45 1/2 - 24 3/4
Current Price (7/14/69)	15 7/8	24	8 3/4	21 1/4	24 3/4
Price x Latest Twelve Months Earnings	158.75x	16.7x	9.1x	13.4x	22.1x
Current Yield	0.7%	1.25%	-- %	-- %	-- %

Current Market Data on Selec

ny	Teledyne	LTV	Gulf & Western	Glen Alden	Marcor
: te / Maturity	6 1/2% / 92	5% / 88	6% / 88	6% / 88	6 1/2% / 88
t Data: bentures					
Price Range: 1969	92 - 80 7/8	62 1/2 - 47 1/2	74 1/4 - 63	68 1/2 - 60 5/8	88 1/2 - 82
Current Price (7/14/69)	80 7/8	51 7/8	65	61 7/8	85 1/4
Effective Yield	8.40%	11.23%	10.21%	10.74%	8.01%
Current Yield	8.04%	9.64%	9.23%	9.70%	7.62%
mon					
Price Range: 1969	45 1/2 - 29	97 3/4 - 38 1/2	50 1/4 - 21 3/4	20 - 10 1/2	64 1/2 - 46
Current Price (7/14/69)	31	38 1/2	21 3/4	10 5/8	50 1/2
Price x Latest Twelve Months Earnings	16.9x	10.1x	6.1x	13.1x	15.1x
Current Yield	-- %	3.45%	2.30%	-- %	1.98%
rrants					
Price Range: 1969		41 5/8 - 12 1/2	18 3/8 - 7 1/2		
Current Price (7/14/69)		14 3/8	7 1/2		
Formula With Listing/Without Listing		$1.00 / $1.00	$1.00 / $1.00		
Formula With Listing/Without Listing (Using Debentures)		$8.98 / $0.96	$ -- / $ --		
Number of Common Shares		1.13 Shares	1 Share		
Cash Requirement		$115	$ 55		
Price at Which Common Must Sell Using to Exercise Cash/Debentures		$114.49/$65.51	$ 62.50		
% Common Increases to Justify Warrant Price Using to Exercise Cash/ Debentures		197.4%/ 70.2%	187.4%		

7/15/69

ed Debentures

Gulf & Western	LTV-Electrosystems	Levin-Townsend	National Equipment	Northeast Airlines
5 1/4% / 87	4 1/2% / 92	7% / 83	5 1/4% / 88	6 1/2% / 86
113 - 72	93 - 54	97 - 75 3/4	95 - 70	105 1/2 - 78
73 1/8	54 1/2	76 1/4	68 3/4	78
$ 32.75	$ 13.08	$ 49.74	$ 34.38	$ 19.50
8.12%	9.37%	10.22%	8.65%	9.06%
7.18%	8.26%	9.18%	7.64%	8.33%
50.6%	39.5%	76.1%	22.2%	59.2%
50 1/4 - 21 3/4	20 1/8 - 9 3/8	57 1/2 - 27	39 5/8 - 27 1/4	20 1/2 - 11 1/2
21 3/4	9 3/8	28 1/4	28 1/8	12 1/4
6.1x	34.7x	7.6x	16.7x	-- x
2.30%	5.33%	1.42%	-- %	-- %

Conglomerate Debt Issues

Loew's Theatres	General Host	Rapid American	J&L Industries	Lykes	Tenneco	Crane Co.
6 7/8% / 93	7% / 94	7% / 94	6 3/4% / 94	7 1/2% / 94	6% / 79	7% / 94
85 1/2 - 72 1/4	77 - 52	74 1/4 - 65	79 1/2 - 73	84 1/2 - 79 1/8	85 1/4 - 78	94 3/4 - 83
75 7/8	58	69 3/4	79	82 3/4	85 1/4	89
9.41%	12.55%	10.43%	8.86%	9.29%	8.23%	8.03%
9.06%	12.07%	10.04%	8.54%	9.06%	7.04%	7.87%
61 1/2 - 25 3/8	41 1/2 - 20	45 5/8 - 20 3/4	18 1/4 - 6 3/8	22 - 19 1/4	31 3/4 - 25 1/2	59 1/2 - 40 1/-
25 3/8	20	22 1/2	6 3/8	19 1/2	25 1/2	40 1/2
13.7x	14.1x	9.9x	4.0x	7.0x	11.1x	12.6x
0.51%	-- %	3.33%	-- %	3.59%	5.02%	3.96%
39 - 11 5/8	15 - 4 1/2	14 7/8 - 7 1/8	7 1/8 - 3 7/8		11 - 8 3/4	
11 5/8	4 1/2	7 1/2	5		8 7/8	
$13.50 / $4.97	$1.00 / $1.00	$4.13 / $1.00	$1.00 / $1.00		$5.92 / $0.97	
$13.01 / $9.11	$9.00 / $6.42	$ -- / $ --	$1.00 / $1.00		$8.35 / $4.32	
1 Share	1 Share	1 Share	1 Share		1 Share	
$ 35	$ 40	$ 35	$ 37.50		$ 32	
$46.60 /$38.18	$ 44.50/$27.70	$ 42.50	$ 42.50 /$34.63		$40.88 /$36.16	
81.8% 50.4%	122.5% 38.5%	88.9%	567.1% 442.7%		60.3% 41.8%	

Exch. Pfd	Com.	Shares Puts (000)	COMPANY	Dividend ($)	Par Value ($)	Call Price ($)	Year Exp.	Net Change (Mo./Yr.)	Shares	Conversion Price ($)	Com. Mkt. Price ($)	Conversion Value ($)	Pfd. Mkt. Price ($)	Premium C/V (%)	Current Yield (%)	Industry	Footnotes (See Last Page)
O	O	303	WERNER CONTINENTAL	.81	17.00		73		.85	20.00	11.50	9.77	11.37	16	7.12	TRUCKING	
N	N	376	WESTERN UNION	4.00	100.00	104.50			1.81	55.32	52.25	94.57	94.00	0	4.80	UTILITIES	
N	N	252	WESTERN UNION	4.50	100.00	104.75			2.22	45.00	52.25	115.99	112.50	0	4.55	UTILITIES	
C	A	400	WILLCOX & GIBBS		1.50	5.00		1/69	1.05		13.12	13.77	14.25	3		MACHINERY	53
					1.00			1/70	1.00		34.87	34.87	35.00	0		RETAIL	
N	N	4,520	WINN DIXIE S	2.65	1.00	66.00			2.45		32.00	79.68	77.75	0	3.40	CHEMICALS	
N	N	525	WITCO CHEMICAL	2.20	1.00				1.42		36.37	51.64	54.00	5	4.07	RETAIL	
N	N	960	WOOLWORTH	2.00	1.00	85.00		1/71	1.40		55.25	77.35	84.00	9	2.38	OIL & GAS	56
N	N	242	ZAPATA-NORNESS														

WARRANTS TO PURCHASE LISTED STOCKS

Exch. Wt.	Com.	Warrants Outstanding (000)	COMPANY	EXERCISE TERMS PER WARRANT: Year Exp.	Next Change (Mo./Yr.)	Number of Com. Shares	Cash Req. ($)	MARKET PRICE: Common ($)	Warrant ($)	Actual Val. of Warrant Based on Com. Mkt. Price ($)	Premium Over Actual Value (%)	% Com. Increase to Justify Wt. Price (%)	Price at Which Com. Must Sell ($)	Industry	Footnotes (See Last Page)
A	N	555	ALLEGHANY CORP			1.00	3.75	17.37	14.50	13.62	6	5	18.25	RAILROAD	
A	A	500	ALLEGHENY AIRLINE	87	3/72	1.00	13.00	15.50	11.75	7.50	57	28	19.50	AIRLINES	4
C	N	100	ALLIED PRODUCTS	83		1.00	58.00	31.25	12.00			87	58.50	AUTO PARTS	8
C	N	300	AMK CORP	78		2.00	69.00	26.25	17.00			39	36.50	MISC.	12
A	N	6,000	AMK CORP	79		1.00	46.00	26.25	8.00			106	54.00	MISC.	
C	A	100	APL CORP	88		1.00	28.00	21.62	7.75			35	35.75	MISC.	
A	N	5,025	ATLAS CORP			1.00	6.25	8.00	3.87			69	100.12	MISC.	
C	N	350	ATLAS CREDIT	74	10/69	.31	10.00	25.25	3.75			76	44.35	REAL ESTAT	16
O	N	290	AUTOMATIC SPRINKLER	78	10/73	1.00	30.00	16.87	6.00			113	56.00	MISC.	
A	N	2,900	AVCO CORP	78		1.00	56.00	27.75	7.12			95	54.00	MISC.	18
O	N	453	BANGOR PUNTA C	81		1.00	55.00	25.75	8.50			147	83.50	MISC.	19
A	N	400	BRANIFF AIRWAYS	86		3.00	73.00	14.75	15.87			49	22.00	AIRLINES	20
O	N	325	BUDGET INDUSTRIES	83	10/79	1.00	14.00	16.75	7.00	2.75	155	25	21.00	FINANCE	21
C	A	270	COBURN CORP	79	8/69	1.00	13.13	13.37	7.00	.24	817	51	20.13	FINANCE	
A	A	2,200	COMMONWEALTH UNITED	78		1.00	17.25	10.12	5.25			122	22.50	AMUSEMENTS	
A	A	750	DAYLIN INC	89		1.00	45.00	33.00	11.87	8.00	48	12	37.00	RETAIL	22
A	N	900	ELGIN NATIONAL IND	73		.40	8.75	11.50	3.62			169	30.93	ELECTRONIC	
O	N	123	FAR WEST FINANCIAL	79	11/69	1.00	21.50	17.62	7.75			66	29.25	SAV & LOAN	
C	N	729	FIBREBOARD CORP	78		1.00	22.50	32.75	16.00	10.25	56	18	38.50	BUILDING	
O	A	192	FINANCIAL GENERAL	78		1.20	18.50	13.50	9.00			70	22.92	FINANCE	
A	A	540	FIRST NAT REALTY	71		1.15	6.75	7.12	5.50	1.43	285	50	10.69	REAL ESTAT	
A	A	576	FRONTIER AIRLINES	87		1.00	12.06	9.87	6.00	2.75	118	33	13.12	AIRLINES	24
C	N	312	FUQUA INDUSTRIES	73		1.00	44.00	37.50	12.75	2.00	538	1	38.00	MISC.	26
A	N	250	GENERAL ACCEPTANCE	69		1.00	20.00	53.75	34.62	33.75	3	2	54.62	FINANCE	32
O	N	8,000	GENERAL HOST	79		1.00	40.00	24.87	5.62			23	30.50	MISC.	34
O	A	80	GRANITE EQUIPMENT	73		1.04	45.25	27.00	9.00			93	92.16	EQUIP LEAS	
O	N	2,000	GOULD NATL STR	76		1.00	55.00	42.50	9.00			51	64.00	AUTO PARTS	
A	N	7,200	GULF&WESTERN IND	78		1.00	55.00	25.87	8.25			144	63.25	MISC.	
A	N	285	HILTON HOTELS	71		1.00	50.00	133.00	85.25	83.00	3	2	135.25	REAL ESTAT	36
A	N	400	INDIAN HEAD INC	90	5/70	1.00	20.00	28.75	14.25	8.75	63	19	34.25	TEXTILES	
O	A	300	ITEL	79		1.00	29.00	19.87	9.50			53	30.50	EQUIP LEAS	37
A	N	500	KAUFMAN & BROAD	74		1.00	32.50	37.87	18.50	5.37	245	35	51.00	REAL ESTAT	
C	N	3,500	KINNEY NAT SERVICE	80		1.00	37.00	27.87	8.00			61	45.00	EQUIP LEAS	38
X	N	595	LEASCO DATA 87	87		1.00	16.50	33.37	22.00	22.00	0	0	33.37	EQUIP LEAS	40
A	N	7,500	LEASCO DATA 78	78		1.00	34.80	33.37	14.62			48	49.42	EQUIP LEAS	
A	A	1,015	LERNER STORES	62		1.00	15.00	26.00	14.87	11.00	35	15	29.87	RETAIL	
O	A	240	LEVIN-TOWNSEND	79		1.00	50.00	30.75	13.00			79	55.00	EQUIP LEAS	44
A	N	4,320	LING-TEMCO-VOUGHT	78		1.13	115.00	40.75	14.37			56	63.75	AEROSPACE	48
A	N	6,400	LOEWS THEATRE	80	11/72	1.00	35.00	31.37	14.25	4.00	256	31	41.00	REAL ESTAT	50
A	A	1,200	LTV AEROSPACE	78		1.00	28.50	24.62	11.62	5.00	132	26	31.00	AEROSPACE	52
A	A	600	LTV LING ALTEC	78		1.00	17.00	7.37	4.00			104	15.00	ELECTRONIC	56
C	N	306	MAPCO	72		1.00	9.00	22.62	14.25	13.62	5	3	23.25	UTILITIES	60
A	N	1,700	MCCRORY CORP NEW	81	3/76	1.00	20.00	24.87	9.25	4.87	90	10	29.25	RETAIL	
A	N	300	MCCRORY CORP OLD	76		1.00	20.00	24.87	8.87	4.87	82	16	28.87	RETAIL	
C	N	1,600	NVF CORP	79		1.00	22.00	18.50	8.50	9.87	0	0	18.25	MISC.	62
O	N	717	NATIONAL GENERAL 59	74		.29	4.97	30.12	4.25	3.76	13	6	31.79	AMUSEMENTS	64

Exch. Wt.	Com.	Warrants Outstanding (000)	COMPANY	EXERCISE TERMS PER WARRANT: Year Exp.	Next Change (Mo./Yr.)	Number of Com. Shares	Cash Req. ($)	MARKET PRICE: Common ($)	Warrant ($)	Actual Val. of Warrant Based on Com. Mkt. Price ($)	Premium Over Actual Value (%)	% Com. Increase to Justify Wt. Price (%)	Price at Which Com. Must Sell ($)	Industry	Footnotes (See Last Page)
A	N	1,313	NATIONAL GENERAL 74	74		1.00	15.00	30.12	17.00	15.12	12	8	32.00	AMUSEMENTS	
A	N	9,466	NATIONAL GENERAL A	78		1.00	40.00	30.12	8.87			62	48.87	AMUSEMENTS	
M	M	380	NATIONAL HOMES B	69	10/69	1.04	10.85	18.50	10.50	8.39	25	11	20.53	REAL ESTAT	
A	N	1,014	NATIONAL INDUSTRIES	78		1.00	21.40	11.50	5.75			136	27.15	MISC.	
C	N	3,000	NORTHWEST IND	79		3.00	110.00	20.87	20.50			63	34.00	MISC.	66
A	A	625	OKONITE CO	78		1.00	28.00	15.25	5.75	3.50	64	61	24.50	METALS	68
C	A	240	OLD TOWN	79	6/74	1.00	18.00	9.50	2.75			118	20.75	MISC.	
A	N	442	PACIFIC S/WEST AIR	77		1.00	23.40	17.00	9.00			50	25.50	AIRLINES	72
O	A	90	PNEUMO DYNAMICS	75	7/70	2.00	23.00	26.50	34.00	30.00	13	8	26.50	AEROSPACE	
C	A	300	PURITAN FASHIONS	81		1.00	12.50	9.62	4.25			74	16.75	TEXTILES	
A	N	6,300	RAPID AMERICAN	94		1.00	35.00	24.12	8.62			81	43.62	RETAIL	73
A	A	305	REALTY EQUITIES	72	6/69	1.26	9.50	22.00	18.50	18.22	2	1	22.22	REAL ESTAT	
O	N	35	SEABOARD WORLD AIR	70	8/69	1.00	7.00	25.75	19.00	18.75	1	1	25.00	AIRLINES	
C	A	421	SEEMAN BROTHERS	71	10/69	1.00	13.00	10.25	2.50			51	15.50	FOOD	74
O	N	127	SIGNAL CO 59	69		1.16	66.00	63.75	13.00	7.55	64	7	68.10	OIL & GAS	76
C	N	82	SIGNAL CO 61	71		1.11	46.00	63.75	30.00	24.76	21	7	68.47	OIL & GAS	76
C	A	800	SILVRAY-LITECRAFT	74		1.00	10.75	9.37	4.75			65	15.50	FOOD	
C	N	351	STANDARD PRUDENTIAL	83		1.00	15.00	10.75	3.75			74	18.75	FINANCE	78
A	N	2,500	TENNECO INC	79		1.00	32.00	27.12	9.25			31	36.50	UTILITIES	79
A	N	580	TEXTRON INC	64	5/	1.00	8.75	32.50	22.75	23.75	0	0	31.50	MISC.	
A	N	2,096	TRANS WORLD AIRLINES	73		1.00	22.00	38.25	23.00	20.00	15	7	41.00	AIRLINES	80
A	N	262	TRI-CONTINENTAL CORP	NO		2.83	22.61	32.12	69.00	68.28	1	1	32.37	INVEST COS	
A	N	1,003	UNITED INDUSTRIAL	69		.50	8.50	13.50	1.25			44	19.50	AEROSPACE	
O	A	667	UNITED NATL INVESTOR	76	12/	1.00	7.00	10.87	4.25	3.87	10	3	11.25	REAL ESTAT	
O	N	1,200	U S SMELTING	79		1.00	66.00	42.25	10.50			81	76.50	MINING	
A	N	800	URIS BUILDING	75		2.12	12.50	24.50	38.75	39.44	0	0	24.17	REAL ESTAT	
C	A	100	VIKOA INC	73		1.00	30.00	26.25	9.00			38	39.00	MISC.	
A	N	500	WARD FOODS INC	79		1.00	60.00	27.62	7.62			145	67.62	FOOD	
O	N	242	WATKINS-JOHNSON	73		1.00	52.00	28.12	6.25			107	58.25	ELECTRONIC	
C	N	800	WEBB DEL E CORP	75		1.00	6.25	19.87	12.25	13.62	0	0	16.50	REAL ESTAT	
A	N	1,400	WHITTAKER CORP	79		1.00	50.00	22.25	7.62			159	57.62	AEROSPACE	
A	A	1,000	WILSON & CO	78		1.00	33.25	23.37	6.62			26	29.50	FOOD	88
A	A	575	WILSON SPORTING GOOD	78		1.00	20.25	13.87	5.75			42	19.75	MISC.	92
O	A	100	ZION FOODS	72		1.00	12.37	8.50	2.25			72	14.62	FOOD	

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WARRANTS TO PURCHASE OVER-THE-COUNTER STOCKS

Exch. Wt.	Com.	Warrants Outstanding (000)	COMPANY	EXERCISE TERMS PER WARRANT: Year Exp.	Next Change (Mo./Yr.)	Number of Com. Shares	Cash Req. ($)	MARKET PRICE: Common ($)	Warrant ($)	Actual Val. of Warrant Based on Com. Mkt. Price ($)	Premium Over Actual Value (%)	% Com. Increase to Justify Wt. Price (%)	Price at Which Com. Must Sell ($)	Industry	Footnotes (See Last Page)
O	O	220	AMER ELECTRONIC LAB	72	10/69	1.00	11.33	9.50	4.00			81	15.33	ELECTRONIC	
C	O	1,500	ASTRO-SPACE	79		1.00	8.00	2.37	.75			269	8.75	MISC.	
C	O	50	CAMIN LABORATORIES	71	1/70	2.00	7.00	9.50	15.00	12.00	25	16	11.00	ELECTRONIC	
C	O	150	CARTER GROUP	78		1.00	50.00	30.50	8.50			92	58.50	MISC.	
C	O	52	COMPUTERIZED AUTOMTV	70		1.00	7.50	9.00	5.50	1.50	267	44	13.00	SERVICE	
O	O	60	ENERGY CONVERSION	70		1.00	20.00	65.00	47.00	45.00	4	3	67.00	ELECTRONIC	
O	O	214	FINANCIAL SECURITY	78		1.20	7.86	7.75	5.50	1.44	282	44	11.13	FINANCE	
O	O	160	FIRST MORTGAGE INV	77		1.00	11.25	20.75	11.75	9.50	24	11	23.00	REAL ESTAT	
O	O	500	HAVEN INDUSTRIES	73	1/70	1.00	8.00	4.50	1.25			106	9.25	MISC.	
O	O	300	HENRYS DRIVE IN	70		1.00	9.00	6.50	1.87			67	10.87	MISC.	
O	O	8,500	JONES&LAUGHLIN IND	79		1.00	37.50	17.50	5.75			59	27.75	STEEL&IRON	12
O	C	20	KALVAR CORP	79		1.00	83.62	153.00	130.00	69.38	87	40	213.62	PHOTO	
O	O	280	MARITIME PROFIT	71		1.00	4.75	11.62	7.50	6.87	9	5	13.25	SHIPPING	
C	O	450	MORTGAGE INV	74		1.00	20.00	18.50	9.00			57	29.00	FINANCE	
C	O	100	NATIONAL DATA	74		1.00	15.00	25.50	16.50	10.50	57	24	31.50	MISC.	
O	O	100	N Y AMER BEVERAGE	75	10/69	1.00	4.00	6.00	3.75	2.00	88	29	7.75	BEVERAGES	
C	O	320	NORTEK INC	79	4/74	1.00	34.00	28.00	9.00			54	43.00	MISC.	
O	O	235	PUBLISHERS CO	72		1.24	7.00	18.00	17.00	15.32	11	8	19.35	PRINT/PUB	
C	O	330	SCHAEFER J B	70		.20	2.50	5.25	.50			186	15.00	MISC.	
C	O	100	STELBAR	72	11/69	2.00	5.00	7.75	11.00	10.50	5	3	8.00	TOY	
C	O	100	TOTAL ENERGY LEASING	75	3/72	1.00	11.00	25.00	18.00	14.00	29	16	29.00	MISC.	

INFORMATION HAS BEEN OBTAINED FROM SOURCES BELIEVED TO BE RELIABLE, BUT ITS ACCURACY AND COMPLETENESS ARE NOT GUARANTEED

Warrant Pricing Data

(1) Assumed Price Bangor Common	(2) Theoretical Price Bangor Warrant (a)	(2) ÷ (1)
20	$4.50	23%
22 1/2	5.75	26
25	7.00	28
27 1/2	8.25	30
30	9.50	32
35	12.00	34
40	14.50	36
45	17.00	38
50	19.50	39
55	22.00	40

Warrant Pricing Data

Date	Common Price (Last Sale)	Warrant Data: Theoretical Price (a)	Warrant Data: Actual Bid Price	Warrant Data: Actual ÷ Theoretical	Effective Cost of Common (b)	Premium Over Actual Common	Actual Warrant Price As % of Common
5/16	$33.12	$11.06	$10.25	93%	$65.25	100%	31%
5/23	33.25	11.12	10.25	92	65.25	96	31
5/29	31.88	10.44	10.00	96	65.00	104	31
6/6	32.12	10.56	9.25	88	64.25	97	29
6/13	30.25	9.63	8.50	88	63.50	110	28
6/20	27.25	8.13	7.75	95	62.75	130.	28
6/27	25.75	7.38	7.50	102	62.50	143	29
7/3	25.37	7.18	7.50	104	62.50	146	30
7/11	25.37	7.18	7.50	104	62.50	146	30

(a) Based on one 12-year warrant to purchase one share of Bangor Common at $55. Theoretical price is based on assumption that the warrant will have a value of 40% of the exercise price of $55 or $22 minus 50% of the premium of the exercise price over the common price.

(b) Effective Cost of Common equals the sum of the warrant exercise price ($55) and the actual bid price of the warrant.

JHL, Jr.
7/14/69

BANGOR PUNTA WARRANTS

Recent Price 10 ½

EVALUATION OF COMMON STOCK

For full common stock data, see The Value Line Investment Survey, Ratings & Reports — Page 315

Recent Price	Price to Earnings Ratio		Dividend Yield		Quality as Terms of Stability, 15 Yr. Growth (55), Size, Risk on Yield, Etc.	Performance Next 12 Months	Appreciation Potential 1972-74	Income (Yield) Next 12 Months	Normal Average Price 1972-74 Est'd
	15 Yr. Median	Current	15 Yr. Median	Current					
31	—	12.7	—	1.9%	(2)	IV (2)	I (5)	IV (2)	61 (-95%)

BUSINESS: Bangor Punta Corporation sales by groups in fiscal 1968 were: leisure time 24% (power and other boats, emblematic jewelry), fashion fabrics 30% (fiber, textile and knitting), process engineering 14% (bulk handling equip., furnaces, waste systems), transportation 6%, O.E.E., freight car repair) public security 9% (Smith & Wesson, riot control and police equip.), energy systems 3% (Waukesha Motor Co. acquired Aug. '68), agribusiness 10% (Producers Cotton Oil Co.), professional services 4% (civil & sanitary eng., acquisition and fin. planning). Sales have risen 122% since 1957-59 (GNP, 88%). Has 5,422 stockholders, over 8,000 employees. Officers and directors own 26% of common. Chrmn.: N.M. Saigo. Pres.: D.W. Wallace. Inc.: Del. Address: 405 Park Ave., N.Y., N.Y. 10022. Listed: NYSE. Ticker Symbol: BNK

EVALUATION OF WARRANT

BNK common is selling below the $55 warrant exercise price; the warrants therefore have no tangible value. The warrants were underpriced when first issued as a distribution to stockholders last April and have since settled at a normal range. The option premium is now 33%, with favorable leverage. On a sharp swing in the price of the common stock, the warrant is expected to advance 1.6 times and to decline 1.4 times the rate of the stock. At some future date, the company may permit the use of the 5¼s '92 (NYSE 69½) at par in lieu of the cash exercise price. This feature, if currently in effect, would reduce the exercise price to about 38¼ for an improvement in leverage. The redemption option by the company is of no consequence at this time since the call price is over 400% above the current market price of the warrants.

Recommendation: Although the stock is rated IV (Below Average) for performance in the next 12 months, it is rated I (Highest) for appreciation potential 3 to 5 years ahead. Aggressive investors who can assume the extra risk may find it expedient to forego the 1.9% yield on the common in order to obtain the extra upside leverage available in the warrant. Purchase of the warrant is recommended.

WARRANT FACTS

Conversion Terms: Each warrant entitles the holder to purchase one share of common stock at $55.00 per share until March 31, 1981. The privilege is fully protected against dilution. The company has the right, at any time or from time to time, to reduce the warrant price for such periods of time not less than 21 days as the Board of Directors of the company may determine. The company may on due notice permit payment of the exercise price by surrender of debt securities of the company.

Redemption: The company may redeem the warrants, in whole or in part, at a price of $55.00 for each share of common stock purchasable upon the exercise of the warrants.

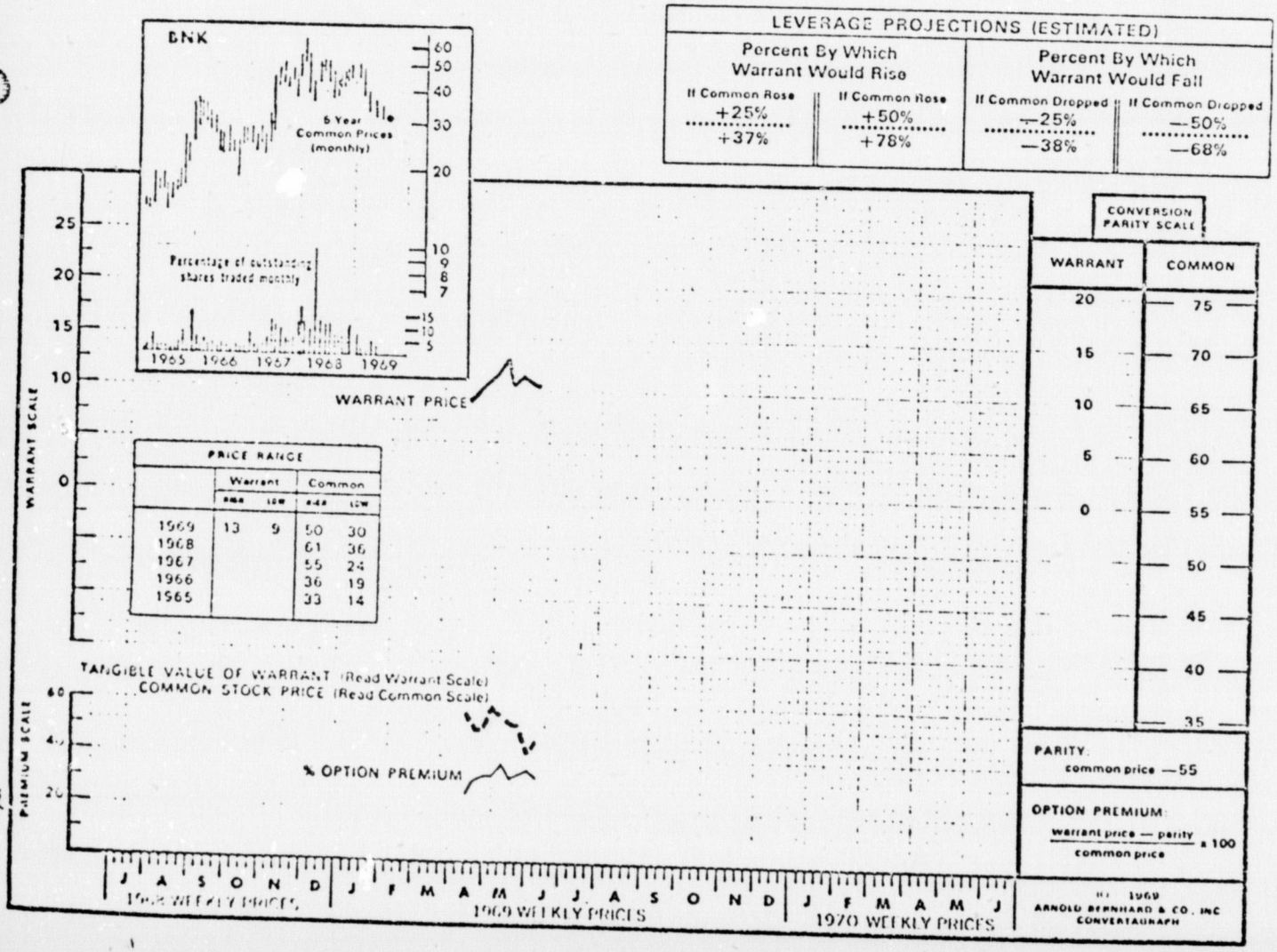
Warrant Agent: Irving Trust Company.

Original Issue: 453,616 warrants issued February 28, 1969 as a distribution to shareholders.

Traded: OTC

LEVERAGE PROJECTIONS (ESTIMATED)

Percent By Which Warrant Would Rise		Percent By Which Warrant Would Fall	
If Common Rose +25%	If Common Rose +50%	If Common Dropped −25%	If Common Dropped −50%
+37%	+78%	−38%	−68%



SEC Dep June 17, 1970
CURTIS HUTCHINS
DEFENDANTS EXHIBIT RP

I would guess it was Mr. Robertson who was then chairman of Bangor Punta, on the assumption that he would relay it to his associates, Mr. Wallace and Mr. Salgo.

I don't recall talking with anyone about it in the management of Bangor Punta, except Mr. Robertson.

Q Do you recall any communications that you may have had with Mr. Dumaine in the month of June, either by telephone or face to face?

A Telephone communications I wouldn't remember, because I haven't noted them, I haven't noted them.

I may well have talked to him on the phone, but I don't recall specific dates or times, and I don't have a record of having met with him in June.

MR. BELKIN: At this point I'd like to introduce and have marked as Exhibit No. 6 a memorandum dated June 16, 1969, which was identified by Mr. Dumaine in his testimony, Exhibit No. 3 in Mr. Dumaine's testimony.

Can we have this marked as Exhibit No. 6, please.

(Whereupon, the above-referred to document was received and marked by the reporter as Hutchins' Exhibit 6 for identification, as of this date.)

BY MR. BELKIN:

Q This exhibit was identified by Mr. Dumaine as a memo of a telephone conversation between yourself and he

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contemporaneously prepared, and I ask you to look at this to see whether this would refresh your recollection as to any conversation you may have had on that date. (Handing to witness.)

A If Mr. Dumaine said I called him on June 16th, I would accept the fact that I did.

Q Could I please have that back?

A Sure.

Q Do you recall stating that, as is stated in the memo, and I read from it:

"A definite commitment should not be made within two months of registration"?

MR. RYAN: Read that question back, please.

(Whereupon, the pending question was read back by the reporter.)

A No, I don't.

Q Do you recall whether you stated on June 16th that, and I quote from the memo:

"Curtis Hutchins said we definitely have a deal".

A I think I reconfirmed to him that he and I had a deal, and I had confidence in my ability to persuade the Dangor Punta management and the board that we did have a deal; that was the content in which I may have said that.

I did tell him that we needed time for the accountants and the tax people to go over the tax implications

as I said earlier.

MR. EILKEN: Would you read back the answer, please, the whole answer.

(Whereupon, the last answer was read back by the reporter.)

A This reconfirmation that you referred to, would this have been around the middle of June? Do you recall?

A It could well have been. I have no reason to doubt the date.

Q Do you recall whether you and Mr. Dumaine had ever discussed the fact that Bangor Punta was in registration with the Securities and Exchange Commission?

A I remember referring in conversation to it, in connection with the time it was going to take to explore the tax implications.

Bangor Punta's lawyers, plus their accountants, were busy with the registration in that connection about that time.

Q Do you recall when this conversation would have been with Mr. Dumaine about the registration statement?

A No, I don't, except that it must have been between the meeting in New York on June 3rd when the tax problem came up -- it was after that, and if he says that I mentioned that to him on June 16th -- was it?

Q Yes.

A (Continuing) -- I accept it. I have no reason to doubt that date.

Q Did you ever become aware of the accounting treatment, which was to be accorded the sale of the railroad if stock was sold?

MR. RYAN: I don't really understand that question.

A No. I don't think I do either.

Q In other words, how would the sale be treated on the financial statement, whether you ever became aware of it?

A Not until early September, I think, when the accountants had finished with their tax work, and I became somewhat aware of it.

I never clearly understood it.

Q Do you recall when the tax problem first arose, the tax problem with the railroad, that is?

MR. RYAN: Well, you mean when the tax problem was first discussed? The problem was inherent in the transaction?

MR. BELKIN: Well, when it was first discussed, not first arose.

A In the meeting in New York on June 3rd.

Q Do you recall who brought it up?

A Mr. Salgo.

Q Do you recall what he stated with respect to

DEFENDANTS' EXHIBIT AQ (EXCERPTS)

SUMMARY

1. Piper Aircraft Corporation ("Piper") common stock would have traded at a price of approximately $55 per share on May 7, 1969 in the absence of prior purchases made with a view to acquiring a majority interest. (The computations underlying this determination are outlined in attached Appendix A.)

2. The values per share of Piper common stock were as follows on the dates indicated:

Date	Value Per Share
September 5, 1969	$42.10
March 9, 1971	$51.92

(The determination of the foregoing values is summarized in attached Appendix B.)

3. From an analysis of Chris-Craft Industries, Inc.'s ("Chris-Craft") earnings per share and tangible net worth per share and after considering other factors, Chris-Craft's investment of 697,495 shares of Piper common stock is at least as favorable an investment to Chris-Craft as would have been the 856,206 share investment in Piper which Chris-Craft sought to acquire in its July 1969 exchange offer.

4. The prudent investor who tendered Piper common stock in exchange for Bangor Punta Corporation securities in the July 1969 exchange offer would not have been deterred from so doing if he had then foreseen the October 2, 1969 transaction in which Bangor Punta Corporation disposed of the Bangor and Aroostook Railroad.

The foregoing statements represent our professional opinions as investment bankers.

DREXEL FIRESTONE, INCORPORATED

BY Clifford L. Fitzgerald Jr.
Senior Vice President

March 10, 1971

APPENDIX A

Set forth below is the computation underlying $55 as the approximate price at which shares of Piper common stock would have traded on May 7, 1969 in the absence of prior purchases made with a view to acquiring a majority interest.

* * *

For each week of the 13 week period ending December 25, 1968 the price earnings ratio of Piper (based on the most recent twelve months earnings) was divided by the price earnings ratio of the Standard & Poor's 425 Industrial Average. The average Piper ÷ S&P quotient for this period was 1.25. A similar comparison for this period between the price earnings ratios of Piper and Cessna Aircraft Corporation produces an average Piper ÷ Cessna quotient for the period of 1.57. These quotients were then utilized to determine a price for Piper on May 7, 1969 as follows:

Piper - S&P Quotient		May 7 Price Earnings Ratio of 425 Industrials		May 7 Adjusted Piper Price Earnings Ratio
1.25	X	17.83	=	22.2875

Piper - Cessna Quotient		May 7 Price Earnings Ratio of Cessna		
1.57	X	15.57	=	24.4449

The average of the two May 7 adjusted Piper Price Earnings Ratios - one determined in relation to the Standard & Poor's 425 Industrial Average price earnings ratio; the other in relation to the Cessna price earnings ratio - is 23.3662. This May 7 adjusted Piper ratio multiplied by $2.36 (latest 12 months earnings per share then reported by Piper) equals $55.14 or approximately $55.

The data used in the above computations is presented in Exhibit 1.

APPENDIX B

Set forth below are our computations which result in per share values of Piper common stock as follows:

Date	Value Per Share
September 5, 1969	$42.10
March 9, 1971	$51.92

These values were derived from the following forecast figures of Piper Aircraft Corporation for the year ending September 30, 1973:

Net Income	$9,876,000
Earnings Per Share	$6.00

The forecast is set forth in greater detail in Exhibit 2. We have reached the values shown above from the forecast in the manner set forth below.

Piper's forecast 1973 earnings per share of $6.00 were multiplied by an historically selected price earnings ratio of 13.26 in determining the values above. Selection of this price earnings ratio reflects our view that the most probable average price earnings ratio that would be applied to Piper's 1973 per share earnings is 13.26, derived as follows:

a) A period during the last ten years was selected during which Piper's price earnings ratio was substantially free from the upward distortions normally present during periods of temporary earnings declines. This period occurred during the four years beginning in 1963 and ending in 1966 (See graph in Exhibit 3). Piper's quarterly price earnings ratio during this period was divided by the concurrent price earnings ratio for the Standard & Poor's 425 Industrial Stock Index to obtain a normal relationship between the two. During this period, Piper's price earning ratio averaged 74.2% of the Standard & Poor's 425 Industrial Stock Index ratio. (See table in Exhibit 3).

b) An average price earnings ratio for the Standard & Poor's 425 Industrial Stock Index was calculated for the period beginning with 1960 and ending June 30, 1970, amounting to 17.87 (See Exhibit 4).

c) A most probable anticipated price earnings ratio for Piper was calculated by multiplying the average Standard & Poor's 425 Industrial Stock Index price earnings ratio of 17.87 by .742 (72.4%), the normal relationship of Piper's price earnings ratio to that of such Index, resulting in a ratio of 13.26.

The application of the foregoing price earning ratio to Piper's forecast 1973 per share earnings produces a price of $79.56 per share which has been adjusted to $75.37 to reflect an assumed 5% underwriting discount and additional expenses of $150,000 which might occur if the investment were then liquidated.

The adjusted 1973 price of $75.37 was then discounted back to March 9, 1971 and to September 5, 1969 to reach the value of Piper shares on those respective dates. This discounting was done from November, 1973 (the date by which Piper's fiscal 1973 earnings would have been known) at an annual rate of 15%, representing an annual percentage return on investment with which the reasonable investor would be satisfied. This discounting produces a value per Piper share of approximately $42.10 at September 5, 1969 and a value of approximately $51.92 on March 9, 1971. By way of illustration, the holder of a share of Piper with a value on March 9, 1971 of $51.92 who sells in November, 1973 for $75.37 holds an investment which will appreciate at about 15% per year between those dates.

DEFENDANTS'
EXHIBIT AR

CHRIS-CRAFT PROSPECTUS

DECEMBER 10, 1968

(EXCERPTS)

The Company has entered into an agreement with the shareholders of Argonaut Taiwan Corporation, a company in Taipei, Taiwan (Formosa) ("Argonaut"), which presently produces a small number of boats. The agreement provides for the acquisition by the Company of all the outstanding capital stock of Argonaut for approximately $300,000. In addition, the Company will pay approximately 50% of the earnings of Argonaut during the next five years to such shareholders. The agreement also provides for long-term contracts with key personnel of Argonaut and for advances by the Company to Argonaut to expand the boat-building capacity of Argonaut. Argonaut will be a wholly owned and operated subsidiary of the Company producing boats of the Company's design for distribution to the Company's dealers in the United States and elsewhere.

The Company holds 90,700 shares of the Common Stock of Harley-Davidson Motor Co. and has entered into option agreements covering all such shares. Pursuant thereto, the optionee has the right to buy such shares at different periods in May and June, 1969.

CHRIS-CRAFT INDUSTRIES, INC. DEFENDANTS' EXHIBIT AS

ANALYSIS AND COMPUTATIONS REQUIRED UNDER SECTION 6.1 (a)(ii) OF NOTE PURCHASE AGREEMENTS DATED DECEMBER 20, 1965, AS AMENDED

January 1, 1965 to May 31, 1969

Analysis of Consolidated Net Income and Special Payments
(In Thousands of Dollars)

	9 Months ended May 31, 1969	Period from Jan. 1, 1965
Net income for the period (excluding earnings of subsidiaries which are not consolidated)	$ 3,690	$ 13,982
Add (deduct) income tax of foreign subsidiary deducted (credited) above	(36)	91
	$ 3,654	$ 14,073
Less: Capital gains net of capital losses and net of Federal income tax thereon	327	817
Net credit to earnings attributable to oil and gas sales applied to production payments net of Federal income tax accrued thereon	-	308
	$ 3,327	$ 12,948
CONSOLIDATED NET INCOME, AS DEFINED	$ 2,330	$ 9,064
70% OF CONSOLIDATED NET INCOME		
Less: Excess cash paid in connection with purchase, redemption or retirement of treasury shares or subordinated funded debt over cash consideration received upon sale of common shares, preferred shares or subordinated funded debt, respectively, subsequent to December 31, 1964	437	780
Cash dividends and cash paid in lieu of fractional shares	1,023	4,716
AMOUNT AVAILABLE FOR SPECIAL PAYMENTS END OF PERIOD	$ 870	$ 3,568
Add: Aggregate net proceeds (after applicable Federal income taxes) of sales of assets	404	5,558
Excess of net proceeds from sale of stock and additional Subordinated Funded Debt of the Company over amounts paid out for purchases, redemptions, etc.-		
Common stock	-	62
Preferred stock	81	81
Subordinated Funded Debt	25,334	25,334
Less: Amounts invested in Broadcasting facilities as defined in Section 6.2 (f)(ii)(x) and (y)	-	-
AMOUNT AVAILABLE FOR "OTHER INVESTMENTS" AT END OF PERIOD	$ 26,689	$ 34,60[illegible]

COMPUTATIONS REQUIRED UNDER SECTION 6.2 (a)(A) OF NOTE PURCHASE AGREEMENTS DATED DECEMBER 20, 1965, AS AMENDED
(In Thousands of Dollars)

Computations re: Net Earnings Available for Interest Charges

	Fiscal Period Ended	
	Aug. 31, 1968	Dec. 31, 1967
Consolidated net income, as defined	$2,016	$3,253
Add:		
Amounts deducted for interest charges and amortization of debt discount	1,289	2,076
Provisions for taxes measured by income	1,926	2,852
PRO FORMA NET EARNINGS AVAILABLE FOR INTEREST CHARGES	$5,231	$8,181
Pro forma interest payable on Senior Funded Debt:		
Amount	$ 671	$1,006
Ratio to net earnings available	7.80x	8.13x
Pro forma interest payable on Total Funded Debt:		
Amount	$1,876	$2,814
Ratio to net earnings available	2.78x	2.91x

Computations re: Consolidated Net Tangible Assets

	As of May 31, 1969
Total assets of the Company and Consolidated Subsidiaries	$154,769
Less:	
Intangible assets	27,530
Liabilities other than Funded Debt	41,003
Deferred debt expense	602
Miscellaneous other assets	1,330
CONSOLIDATED NET TANGIBLE ASSETS AT END OF PERIOD	$ 84,304
Consolidated Net Tangible Assets at end of period as a % of -	
Senior Funded Debt	527%
Total Funded Debt	183%

ANALYSIS AND COMPUTATIONS REQUIRED UNDER SECTION 6.1 (a)(ii) OF NOTE PURCHASE AGREEMENTS DATED DECEMBER 20, 1965, AS AMENDED (Continued)
(In Thousands of Dollars)

January 1, 1965 to May 31, 1969

Analysis of Increase in Reserve for Deferred Income Taxes

	9 Months ended May 31, 1969	Period from Jan. 1, 1965
Balance of reserve, beginning of period	$ 996	$ 630
Add deferred taxes related to:		
Accelerated depreciation for tax purposes	-	329
Gain on involuntary conversion	(21)	192
Prepayment penalty deducted in 1965 for tax purposes	-	50
	$ 975	$ 1,201
Less recapture of deferred taxes upon liquidation of Chris-Craft Corporation	-	226
BALANCE OF RESERVE, END OF PERIOD	$ 975	$ 975

"Other Investments"

Balance of "Other Investments" at beginning of period	$ 5,566	$ -
Net investments during period:		
Purchases (sales) of marketable securities	33,258	38,574
Other investments	1,400	1,650
BALANCE OF "OTHER INVESTMENTS" AT END OF PERIOD	$ 40,224	$ 40,224

RE: INVESTMENT COMPANY ACT
STATUS AS OF FEBRUARY 7, 1969
($000)

DEFENDANTS
EXHIBIT AT

Total Assets	$150,949
Less - Cash and Certificates of Deposit	11,655
Adjusted Total Assets	$139,294

Investments -

	Cost	@ Market	Amount
24,900 MGM	$ 1,111	$40	$ 996
1,700 WBS	74	60	102
90,700 Harley	2,700	30*	2,721
547,500 PPA	34,485	65	35,588
Notes Receivable	346		346
	$38,716		$39,753

200,000 Carl G Fisher 1.400 use cost

Investments on a % of Total Assets 28.5%

*Option price

W.M.
2/12/69

12/31/68
Dec
Jan
Jan

Carl Jan

662
358
30,143
31,163
1,782
15,000
(34,500)
(1,100)
(1,500)
10,545

Sale Jan
Sale Dec
Pilot Pigeon
Pilot Feb
Carl Jan

31,315
10,166
67,423
108,904
15,000
123,904

DEFENDANTS' EXHIBIT AY

1+2

CHRIS-CRAFT INDUSTRIES, INC.
SHORT TERM INVESTMENTS
AS OF ~~JANUARY 31~~ February 28, 1969

SUMMARY OF HOLDINGS

	Purchases this Month			Balance on Hand		
	Shares	@	Amount	Shares	@	Amount
MGM	~~6,200~~	~~42-5/8~~	~~$ 264,277.50~~	~~24,900~~ 23,900	44-5/8	$ ~~1,110,755~~ 1,066,146
WBS				1,700	43-1/2	73,906
Harley-Davidson	30,016		$19,833,478 *	90,700	29-3/4	2,699,794
Piper	236,000	60 65	~~14,206,595~~ *	242,000	~~59-7/8~~ 62 3/4	~~14,483,757~~ *
			$24,470,772	547,016	62 3/4	$28,362,252 34,322,225 *
CD's						6,500,000
			$14,470,772			$24,868,252

* Subject to adjustment for expenses of tender offer

SALES TO DATE

	Broker	Date Sold	Average Cost @	Average Cost Amount	Sales Price @	Sales Price Amount	Profit (Loss)
14,600 shs. WBS	Shields	8/8/68	41	$ 599,484	45-5/8	665,456	$ 65,972
7,000 shs. MGM	Hutton	9/27/68	44-5/8	312,260	45-3/4	320,445	8,185
5,000 shs. MGM	Goodbody	9/27/68			Call @ 45-1/2		15,000
5,000 shs. MGM	Goodbody	9/30/68	44-5/8	223,043	50-7/8	254,413	31,370
300 shs. MGM	Hutton	11/ 8/68	44-5/8	13,383	50	14,980	1,597
$100,000 deb. WBS	Goodbody	1/13/69	128-1/2	128,448	135-5/8	135,581	7,133
5,500 shs. WBS	Goodbody	1/24/69	43-1/2	239,109	53-3/8	293,683	54,574
2,000 shs. WBS	Bruns	1/23-1/24/69	43-1/2	86,949	51-1/8	102,140	15,191
27,000 shs. WBS	Mitch Hutch	1/24-1/27/69	43-1/2	1,173,807	53-5/8	1,448,241	274,434
4,800 shs. MGM	Mitch Hutch	1/27-1/28/69	44-5/8	214,121	40-3/4	195,369	(18,752)
1,000 shs. MGM	Goodbody	2/24/69	44 5/8	44,609	43 1/4	43,290	~~$454,784~~ (1,319)

LOCATION OF SECURITIES (IF NOT IN CUSTODY) OR SAFE DEPOSIT

Securities	Broker	Dates Purchased
1,800 shs. Harley	Hutton ✓	10/3-10/28/68
~~25,200~~ 425 shs. Harley	M.L.P.F. & S. ✓	10/3-10/ 8/68
500 shs. Harley	Goodbody ✓	10/11-10/28/68
~~5,000~~ 4,000 shs. MGM	Goodbody ✓	Deposited re: Call
33,600 shs. Piper	Goldman, Sachs	1/24/69
~~2,400~~ 100 shs. Piper	Wood, Struthers	1/27/69
~~2,000 shs. Piper~~	~~Goodbody~~	~~1/30/69~~
~~300 shs. Piper~~	~~Hutton~~	~~1/30/69~~

CERTIFICATES OF DEPOSIT (IN CUSTODY WITH MAKER)

	Date Due	Maker
1,000,000 @ 6 %	2/13/69	PNB
3,500,000 @ 5.5 %	2/14/69	PNB
2,000,000 @ 5.75%	3/ 3/69	PNB

DIVIDEND DATA

Security	Rate	Frequency	Record Date		Rec'ble
MGM	.30	Quarterly	12/20 ~~3/24~~		$ -
WBS	.25	Semi-Annual	12/10		-
Harley	.125	Quarterly	11/22	5.207	~~11,230~~
Piper	.35	Quarterly	~~11/25~~ 2/2		191.456

Note: Purchases of CCN "A" from June 19, 1968 - 26,800 shares for $530,131 at an average cost of 19-3/4.

DEFENDANTS' EXHIBIT AZ

CHRIS-CRAFT INDUSTRIES, INC.
SHORT TERM INVESTMENTS
AS OF JANUARY 24, 1969

SUMMARY OF HOLDINGS

	Purchases this Month			Balance on Hand		
	Shares	@	Amount	Shares	@	Amount
MGM				29,700	44-5/8	$ 1,324,673
WBS	6,200	42-5/8	$ 264,177	3,700	43-1/2	160,855
Harley-Davidson				90,700	29-3/4	2,699,794
Piper	214,700	59-3/4	12,816,182	219,900	59-1/2	13,093,384
			$13,080,359			$17,278,909
CD's			-			11,000,000
			$13,080,359			$28,278,909

SALES TO DATE

	Broker	Date Sold	Average Cost @	Average Cost Amount	Sales Price @	Sales Price Amount	Profit (Loss)
14,600 shs. WBS	Shields	8/8/68	41	$ 599,484	45-5/8	665,495	$ 66,972
7,000 shs. MGM	Hutton	9/27/68	44-5/8	312,260	45-3/4	320,445	8,185
5,000 shs. MGM	Goodbody	9/27/68			Call @ 45-1/2		15,000
5,000 shs. MGM	Goodbody	9/30/68	44-5/8	223,043	50-7/8	254,413	31,370
300 shs. MGM	Hutton	11/ 8/68	44-5/8	13,383	50	14,980	1,597
$100,000 deb. WBS	Goodbody	1/13/69	128-1/2	128,448	135-5/8	135,581	7,133
5,500 shs. WBS	Goodbody	1/24/69	43-1/2	239,109	53-3/8	293,683	54,574
2,000 shs. WBS	Bruns	1/23-1/24/69	43-1/2	86,949	51-1/8	102,140	15,191
25,000 shs. WBS	Mitch Hutch	1/24/69	43-1/2	1,086,858	53-3/8	1,334,856	247,998
							$447,020

LOCATION OF SECURITIES (IF NOT IN CUSTODY)

Securities	Broker	Dates Purchased
1,800 shs. Harley	Hutton	10/3-10/28/68
25,250 shs. Harley	M.L.P.F.&S.	10/3-10/ 8/68
500 shs. Harley	Goodbody	10/11-10/28/68
5,000 shs. MGM	Goodbody	Deposited re: Call
16,200 shs. Piper	Goldman, Sachs	1/24/69
3,700 shs. Piper	Shields & Co.	1/14/69
500 shs. Piper	Goodbody	1/20/69

CERTIFICATES OF DEPOSIT (IN CUSTODY WITH MAKER)

	Date Due	Maker
1,000,000 @ 5.5%	1/27/69	Sec'y Nat'l
3,500,000 @ 5.5%	1/30/69	FNB
1,000,000 @ 6 %	2/13/69	FNB
3,500,000 @ 5.5%	2/14/69	FNB
2,000,000 @ 5.75%	3/ 3/69	FNB

DIVIDEND DATA

Security	Rate	Frequency	Record Date	Rec'ble
MGM	.30	Quarterly	12/20	$ -
WBS	.25	Semi-Annual	12/10	-
Harley	.125	Quarterly	11/22	11,338
Piper	.35	Quarterly	11/25	-

Note: Purchases of CCN "A" from June 19, 1968 - 26,800 shares for $530,131 at an average cost of 19-3/4.

DEFENDANTS'
EXHIBIT BC

809

Chris-Craft
INDUSTRIES, INC.

600 MADISON AVENUE / NEW YORK, N. Y. 10022 / (212) 421-0200

EXECUTIVE OFFICE

December 27, 1968

American National Insurance Co.
Securities Investment Department
Moody Avenue at Market Street
Galveston, Texas 77550
Attn: Mr. F. A. Blencowe, Vice Pres.

Connecticut General Life Insurance Co.
Hartford, Connecticut 06115
Attn: Securities Department W-32

The Ford Foundation
320 East Forty-third Street
New York, New York 10017
Attn: Treasurer's Office

Investors Mutual, Inc.
Investors Building
Minneapolis, Minnesota 55402

Investors Selective Fund, Inc.
Investors Building
Minneapolis, Minnesota 55402

Massachusetts Mutual Life Ins. Co.
1295 State Street
Springfield, Massachusetts 01101
Attn: Securities Department

Gentlemen:

In accordance with Section 6.1 (a)(ii) of the Note Purchase Agreements dated December 20, 1965 between yourselves and Chris-Craft Industries, Inc., you are advised that the undersigned, vice-president of this corporation, has no knowledge of the occurrence of any event, during the eight months ended August 31,1968 which would constitute an Event of Default under the Agreement or which would so constitute but for the requirement that notice be given or time elapse, or both.

CHRIS-CRAFT INDUSTRIES, INC.

By: _____
Vice President

cc: R. B. Hunter
W. Maxwell

CHRIS-CRAFT INDUSTRIES, INC.

ANALYSIS AND COMPUTATIONS REQUIRED UNDER SECTION 6.1 (a)(ii) OF NOTE PURCHASE AGREEMENTS DATED DECEMBER 20, 1965

January 1, 1965 to August 31, 1968

Analysis of Consolidated Net Income and Special Payments*
(In Thousands of Dollars)

	8 Months ended August 31 1968	Period from Jan 1, 1965
Net income for the period (excluding earnings of subsidiaries which are not consolidated)	$1,665	$10,292
Add back income tax of foreign subsidiary deducted above	35	127
	$1,700	$10,419
Less:		
Capital gains net of capital losses and net of Federal income tax thereon	71	490
Net credit to earnings attributable to oil and gas sales applied to production payments net of Federal income tax accrued thereon	-	308
CONSOLIDATED NET INCOME, AS DEFINED	$1,629	$ 9,621
70% OF CONSOLIDATED NET INCOME	$1,140	$ 6,735
ess:		
Excess cash paid in connection with purchase, redemption or retirement of treasury shares or subordinated funded debt over cash consideration received upon sale of common shares, preferred shares or subordinated funded debt, respectively, subsequent to December 31, 1964	343	343
Cash dividends and cash paid in lieu of fractional shares	1,074	3,693
AMOUNT AVAILABLE FOR SPECIAL PAYMENTS END OF PERIOD	$ (277)	$ 2,699
dd:		
Aggregate net proceeds (after applicable Federal income taxes) of sales of assets	122	5,154
ess:		
Amounts invested in Broadcasting facilities as defined in Section 6.2 (f)(ii)(x) and (y)	-	-
AMOUNT AVAILABLE FOR "OTHER INVESTMENTS" IN EXCESS OF $1,500,000 AT END OF PERIOD	$ (155)	$ 7,853

Transactions of Baldwin-Montrose Chemical Company, Incorporated prior to its merger into Chris-Craft are not included above.

CHRIS-CRAFT INDUSTRIES, INC.

ANALYSIS AND COMPUTATIONS REQUIRED UNDER SECTION 6.1 (a)(ii) OF NOTE PURCHASE AGREEMENTS DATED DECEMBER 20, 1965(Continued)

January 1, 1965 to August 31, 1968

Analysis of Increase in Reserve for Deferred Income Taxes

	8 Months ended August 31 1968	Period from Jan 1, 1965
Balance of reserve, beginning of period	$ 690,000	$ 630,000
Add deferred taxes related to:		
Accelerated depreciation for tax purposes	92,500	328,500
Gain on involuntary conversion	213,600	213,600
Prepayment penalty deducted in 1965 for tax purposes		50,000
		$1,222,100
Less recapture of deferred taxes upon liquidation of Chris-Craft Corporation		226,000
BALANCE OF RESERVE, END OF PERIOD	$ 996,100	$ 996,100

"Other Investments" In Excess of $1,500,000

Balance of "Other Investments" at beginning of period	$ 250,000	$ -
Net investments during period:		
Purchases (sales) of marketable securities	2,537,000	2,537,000
Other investments	-	250,000
Balance of "Other Investments" at end of period	$2,787,000	$2,787,000
Less: $1,500,000 exemption	1,500,000	1,500,000
OTHER INVESTMENTS IN EXCESS OF $1,500,000 AT END OF PERIOD	$1,287,000	$1,287,000

CHRIS-CRAFT INDUSTRIES, INC.

COMPUTATIONS REQUIRED UNDER SECTION 6.2(a)(A)
OF NOTE PURCHASE AGREEMENTS DATED DECEMBER 20, 1965
(In Thousands of Dollars)

Computations re: Net Earnings Available for Interest Charges

	Fiscal Period Ended	
	Aug 31, 1968	Dec 31, 1967
Consolidated net income, as defined	$2,016	$3,253
Add:		
Amounts deducted for interest charges and amortization of debt discount	1,289	2,076
Provisions for taxes measured by income	1,926	2,852
PRO FORMA NET EARNINGS AVAILABLE FOR INTEREST CHARGES	$5,231	$8,181
Pro forma interest payable on Senior Funded Debt:		
Amount	$ 686	$1,029
Ratio to net earnings available	7.63x	7.95x
Pro forma interest payable on Total Funded Debt:		
Amount	$ 862	$1,294
Ratio to net earnings available	6.07x	6.32x

Computations re: Consolidated Net Tangible Assets

	As of August 31, 1968
Total assets of the Company and Consolidated Subsidiaries	$108,232
Less:	
Intangible assets	27,571
Liabilities other than Funded Debt	21,171
Deferred debt expense	238
Miscellaneous other assets	483
CONSOLIDATED NET TANGIBLE ASSETS AT END OF PERIOD	$ 58,769
Consolidated Net Tangible Assets at end of period as a % of -	
Senior Funded Debt	328%
Total Funded Debt	271%

DEFENDANTS'

EXHIBIT BF

(EXCERPTS)

CHRIS-CRAFT

NOTE PURCHASE AGREEMENT

DATED DECEMBER 20, 1965

SECTION 1.1. *Definitions.* The terms defined in this Section 1.1 (except as in this Agreement otherwise expressly provided) for all purposes of this Agreement shall have the respective meanings specified in this Section 1.1.

Consolidated Subsidiaries—shall mean all Wholly-owned Domestic Subsidiaries of the Company.

Domestic Subsidiary—shall mean any Subsidiary incorporated under the laws of any state of the United States of America or under the laws of Canada or any province thereof and which shall conduct substantially all of its business in, and substantially all of the properties of which shall be located in, the United States of America and Canada.

Subsidiary—shall mean any corporation a majority of the shares of voting stock of which is owned, directly or indirectly, by the corporation in respect of which such term is used. The term "voting stock", as used herein shall mean stock (or the equivalent thereof, in the case of corporations incorporated outside the continental limits of the United States of America) of any class or classes, however designated, having voting power for the election of a majority of the directors of such corporation, including stock (or such equivalent) having such power only by reason of the occurrence of a contingency, whether or not such contingency shall have occurred.

SECTION 6.2. *Negative Covenants.* Until payment in full of the Notes, the Company will observe the following covenants:

(d) *Loans and Investments.* The Company will not, nor will it permit any Consolidated Subsidiary to, make or permit to remain outstanding any loan or advance to, or invest in or purchase or acquire or suffer to exist any investment in any security of, or assume, guarantee, purchase or otherwise be or become liable upon the obligation of, or enter into or suffer to exist any arrangement for the purpose of providing funds or credit to, any person, firm or corporation, or make or suffer to exist any commitment so to do (any such action being hereinafter for convenience called Investments), other than

(i) Investments in a corporation which is, or after giving effect to such Investment would be, a Consolidated Subsidiary provided that immediately after any such Investment such Consolidated Subsidiary would not have outstanding any Indebtedness which it would not then be permitted to incur pursuant to the provisions of Section 6.2(a) hereof;

(ii) Investments in Subsidiaries (other than such as are referred to in clause (i)) existing on the date hereof;

(iii) Investments (other than such as are referred to in clauses (i) or (ii)) existing on the date hereof not in excess of $675,000 in aggregate principal amount and other Investments in purchase money mortgages arising from the sale of real property owned by the Company or a Subsidiary on the date hereof;

(iv) open market commercial paper rated prime by a national credit agency and certificates of deposit of United States commercial banks having capital and surplus of more than $50 million, in each case having a maturity not in excess of one year from the date of acquisition thereof;

(v) direct obligations of the United States of America or any agency thereof and obligations guaranteed in full by the United States of America, having a maturity not in excess of one year from the date of acquisition thereof;

(vi) direct obligations of any State of the United States of America or subdivision thereof, having a maturity not in excess of one year from the date of acquisition thereof and rated A or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation;

(vii) Investments arising out of the sale of boats on credit to the Company's or any Subsidiary's regular franchised dealers on a fully secured basis provided that the aggregate amount of such Investments shall not exceed $5,000,000 at any one time outstanding;

(viii) accounts receivable arising in the ordinary course of business from the sale of merchandise on customary trade terms; provided, however, that none of such accounts receivable shall remain outstanding for more than 180 days; and

(ix) other Investments, at any one time outstanding, not exceeding the greater of:

A. $1,500,000; or

B. an amount equal to the sum of

(w) the excess of (1) the aggregate net consideration, in cash, received by the Company upon sales subsequent to December 31, 1964, of additional common stock of the Company over amounts paid out subsequent to such date for purchases, redemptions and retirements of common stock of the Company; (2) the aggregate net consideration, in cash, received by the Company upon sales subsequent to December 31, 1964, of additional preferred stock of the Company over amounts paid out subsequent to such date for purchases, redemptions and retirements of preferred stock of the Company; and (3) the aggregate net consideration, in cash, received by the Company upon sales subsequent to December 31, 1964, of additional Subordinated Funded Debt of the Company over amounts paid out subsequent to such date for purchases, prepayments, redemptions or other acquisitions of Subordinated Funded Debt of the Company; plus

(x) the aggregate amount of Special Payments which the Company would then be permitted to make pursuant to Section 6.2(c) hereof; plus

(y) the aggregate net proceeds (after applicable Federal income taxes) of all sales of assets (other than merchandise or inventories) of the Company and its Consolidated Subsidiaries (made to persons other than the Company or its Consolidated Subsidiaries), which the Company is not required by the terms of Section 6.2(f) hereof to offer to apply to the prepayment of Notes in accordance with Section 4.4(a) hereof; minus

(z) amounts invested pursuant to clauses (x) and (y) of Section 6.2(f)(ii) hereof,

provided, however, that no Investment permitted to be made pursuant to this subclause B shall be a guarantee of the obligation of any person, firm or corporation.

SECTION 7.1. *Events of Default.* If any of the following events (herein called Events of Default) shall occur:

(c) if the Company shall default in the performance of, or compliance with, any agreement, condition or term contained in Section 5.1, Section 6.1(h) or Section 6.2 of this Agreement; or

then and in any such event the holder or holders of more than 25% in unpaid principal amount of the Notes at the time outstanding may (or, in the case of the occurrence of any event specified in sub-paragraph (a), (f) or (g) of this Section 7.1, the holder or holders of more than 5% in unpaid principal amount of the Notes at the time outstanding may) at any time unless all defaults theretofore shall have been remedied, at its or their option by written notice or notices to the Company, declare the entire unpaid principal amount of the Notes to be due and payable, whereupon the same shall forthwith mature and become due and payable, without presentment, demand, protest or notice, all of which are hereby waived; *provided* that if, at any time after the Notes shall have been so declared due and payable, the Company shall pay to the holders of all the Notes all amounts of principal and interest which shall be then due and payable in respect thereof otherwise than by such declaration, together with interest on all such overdue principal and interest at the rate of 6% per annum and an amount sufficient to cover all costs and expenses of collection of such holders (including, without limitation, attorneys' fees and expenses), and if all other Events of Default shall have been remedied, then the holders of more than 75% in unpaid principal amount of the Notes then outstanding may, by written

to the Company, waive the Event of Default by reason of which the Notes shall have been so to be due and payable and may rescind and annul such declaration and its consequences, but waiver, rescission or annulment shall affect any subsequent Event of Default or shall impair consequent thereto.

ANNEX I

Schedule of Purchasers

This Schedule to the foregoing Agreement sets forth the names of the several Purchasers of the Notes, the principal amount of the Notes to be purchased by each and the principal amount of the 1961 Notes to be exchanged for Notes on the First Closing Date.

Name of Purchaser and Address to which correspondence should be directed	Principal Amount of Notes to be Purchased	Principal Amount of 1961 Notes to be Exchanged
The Ford Foundation 477 Madison Avenue New York 22, N. Y. Attention: Investment Office	$ 5,000,000	$ 5,000,000
Massachusetts Mutual Life Insurance Company 1295 State Street Springfield, Massachusetts Attention: Securities Department	$ 5,000,000	$ 3,000,000
Investors Mutual, Inc.* Investors Building Minneapolis, Minnesota	$ 4,500,000	$ 0
Connecticut General Life Insurance Company** Hartford, Connecticut Attention: Securities Department—W-32	$ 3,000,000	$ 2,000,000
American National Insurance Company of Galveston Galveston, Texas Attention: Fred Blencowe, Vice President, Securities Investment Department	$ 1,000,000	$ 1,000,000
Investors Selective Fund Inc.*** Investors Building Minneapolis, Minnesota	$ 500,000	$ 0
Total Notes	$19,000,000	

* Payments on Notes to be made in New York Clearing House funds to Carothers & Clark, Care of Bank of Delaware, Eighth and Market Streets, Wilmington, Delaware 19801.

** Payments on Notes to be made in New York Clearing House funds to Connecticut General Life Insurance Company at P. O. Box 1954, Church Street Station, New York, N. Y. 10008.

*** Payments on Notes to be made in New York Clearing House funds to Sel & Co., Care of First National Bank of Minnesota, 120 South Sixth Street, Minneapolis, Minnesota 55402.

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